

# THE POSITION OF WOMEN IN INDUSTRY

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## SUMMARY (BY THE RESEARCH DIRECTOR)<sup>1</sup>

1. The paper shows that the majority of women employed in British industry are required to perform semi-skilled and unskilled jobs, a situation which is individually frustrating and wasteful in terms of national labour resources.
2. The jobs women are employed in are also those most likely to be modified or eliminated by technical change, and it is necessary to prepare them for less routine work.
3. Customary arguments used to justify the refusal to train and promote women can all be supported to some extent, but in no case can they be accepted without qualification. However, if women are to be used more effectively conventional ideas must be reviewed and more training facilities made available. The Industrial Training Boards could spearhead a decisive advance in the training of women, although there is little evidence that they are acting in this way at the moment.
4. Women also need not only opportunity but encouragement, and this means that the principle of equal pay will have to be faced; but encouragement implies not only equal pay, but also access to better paid jobs.
5. Adjustments in social policy also need to be made and some of the more important of these are suggested. More detailed studies are required of the use now being made of the vast army of women, often with good school records, who are employed in frustrating work which does not develop or extend their capacities.
6. The paper ends with an attempt to summarise its finding and conclusions in a more comprehensive way than in this preliminary note.

<sup>1</sup> This paragraph represents my attempts to summarise the main contents of what follows. Miss Seear is in no way responsible for its short-comings and oversimplifications. W. M.

## A. THE PRESENT SITUATION

7. In November 1966<sup>1</sup> there were 2,815,700 women working in manufacturing industry in Great Britain, compared with 5,995,200 men. Women are employed in all types of industry and without their work all industries would be seriously handicapped, and many would come to an abrupt halt. Work is available, services are rendered, but what type of work, what level of services?

8. The table on the next page analyses the distribution of manpower and womanpower by industry and grade of employment. This table makes clear the difference in the level of jobs undertaken by men and by women. Out of 4,873,080 men engaged in manual work no less than 2,384,970 or 49 per cent<sup>2</sup> are ranked as skilled. Out of 2,051,780 women, however, only 608,090 or 29 per cent are skilled. If the clothing and textile industries are excluded the women's position worsens markedly. Out of the 1,431,850 women employed in the remaining industries only 273,650 or 19 per cent are skilled. In the engineering and electrical group there are 589,030 skilled men, but only 13,300 women, although the industry employs a total of no less than 357,640 women.

9. The position in non-manual work is much the same, as is shown in Table 2 on page 4.

10. The most outstanding feature of Table 2 is the overwhelming concentration of women in clerical and other office work, and their virtual exclusion from managerial, scientific and technical work. Out of 897,120 women employed in these non-manual occupations, no less than 775,850, or 86 per cent, are engaged on clerical and office work, compared with only 14,900 or 1·6 per cent who are working as technicians, other than scientists, technologists and draughtsmen. If these three categories are included the figure rises to only 21,040 or 2 per cent of the total.

11. This concentration on clerical work is a marked feature of women's employment. Of all girl school leavers approximately 40 per cent enter some form of clerical work, many of them in manufacturing industry. In considering the level of work on which women are engaged the characteristics of such work are therefore of great importance. Clerical work has a long tradition of respectability and has for many years been chosen by girls with more than the minimum education level. This tradition has perhaps concealed the nature of many clerical jobs today. Many girls entering clerical employment have had some training in clerical skills, either at school or at technical, commercial or secretarial colleges, but many have not and their chances of making considerable progress once employed are not great. In a recent study undertaken in medium-sized offices it was found that only 8 per cent<sup>3</sup> of all clerks were receiving any form of planned training. Their employers apparently assume that any further knowledge or skill they need can be picked up with no specialised training at all.

12. The coming of the computer, while it has not so far appeared to have reduced the number of clerical jobs, has undoubtedly had the effect of

<sup>1</sup> Ministry of Labour Gazette, January 1967.

<sup>2</sup> For the purpose of these calculations a part-time worker is counted as a whole unit.

<sup>3</sup> Ministry of Labour Gazette, September 1966.

TABLE I

## DISTRIBUTION OF MANPOWER AND WOMANPOWER IN MANUFACTURING BY INDUSTRY AND GRADE OF EMPLOYMENT, MAY 1966 (1)

	Administrative/Technical Clerical				Skilled				Semi-Skilled				Other			
	Male	Female	Part-time	Male	Female	Part-time	Male	Female	Part-time	Male	Female	Part-time	Male	Female	Part-time	
1. Food, Drink and Tobacco	101,990	60,120	8,890	96,160	19,300	4,940	41,980	45,230	19,250	182,790	95,640	49,560				
2. Chemical and Allied Industries	116,830	57,870	4,170	75,990	3,030	470	62,620	17,610	4,260	87,390	27,560	15,700				
3. Engineering and Electrical Industries	462,780	199,670	17,820	389,030	11,400	1,500	276,960	219,660	52,190	237,620	44,770	27,720				
4. Other Engineering	274,570	117,030	10,570	444,940	6,150	1,210	171,340	69,180	13,030	161,130	15,290	15,290				
5. Other Electrical	183,210	82,640	7,250	144,080	5,250	690	105,620	150,480	39,160	76,490	23,120	12,430				
6. Marine Engineering	6,260	1,900	90	17,350	—	—	3,280	150	—	6,750	260	240				
7. Vehicles	168,330	53,800	2,950	254,510	1,920	120	190,940	30,270	3,360	108,870	12,530	5,040				
8. Manufacturing and Metal Goods	68,050	40,090	5,410	127,990	5,570	870	90,360	70,510	22,420	76,210	29,270	14,800				
9. Textiles	59,320	37,190	2,880	118,120	97,140	16,760	81,970	133,760	29,220	85,190	46,340	13,340				
10. Leather Goods and Fur	4,460	4,060	940	4,060	8,020	2,410	3,620	2,820	410	5,490	3,120	1,320				
11. Clothing	21,230	30,000	2,470	39,610	194,940	25,600	1,100	36,040	4,150	16,050	17,270	5,370				
12. Footwear	7,360	5,970	580	27,410	32,580	4,060	8,180	8,690	610	4,700	4,060	870				
13. Bricks, Glass, Cement, etc.	37,030	17,570	1,630	54,170	2,080	300	47,400	4,170	1,310	81,300	9,010	3,850				
14. Pottery	5,710	4,190	370	13,190	14,210	1,210	3,750	4,010	380	4,650	6,770	1,260				
15. Timber, Furniture, etc.	30,940	18,650	2,830	122,410	13,880	2,320	9,690	5,580	600	50,590	6,200	2,490				
16. Paper and Board Making, Cardboard boxes	26,420	15,240	1,300	43,020	15,440	2,420	26,520	26,680	5,990	43,250	13,650	5,050				
17. Printing and Publishing	70,280	42,670	5,110	146,020	45,620	3,390	4,990	4,700	960	35,420	6,490	5,010				
18. Other Manufacturing Industries	43,410	29,580	3,660	55,110	6,800	780	52,810	35,730	13,620	38,890	20,640	11,660				
	1,693,380	818,240	78,880	2,384,970	538,680	69,410	1,185,130	865,070	210,920	1,302,980	388,350	579,350				

1 Based on figures in Ministry of Labour Gazette, January 1967, summarising an enquiry carried out in May 1966 in firms employing eleven or more persons in manufacturing industry.

**TABLE 2**  
**DISTRIBUTION OF MANPOWER AND WOMANPOWER IN MANUFACTURING (NON-MANUAL EMPLOYMENTS), MAY 1966 (1)**

	Management				Scientists and Technologists				Draughtsmen				Other Technicians				Clerical and Office Staff				Other Administrative			
	Male	Female	Part-time		Male	Female	Part-time		Male	Female	Part-time		Male	Female	Part-time		Male	Female	Part-time		Male	Female	Part-time	
			Male	Female			Male	Female			Male	Female			Male	Female					Male	Female		
Food, Drink Chemical ... Engineering and Electrical Engineering Other Eng. Other Elec. Marine ... Vehicles ... Manufacturing Metal ... Textiles ... Leather ... Clothing ... Footwear ... Beats ... Pottery ... Timber ... Paper and Board ... Printing ... Other Manu- Facturing	31,520 27,760	1,890 1,320	50	2,520 16,310	240 1,040	—	1,090 2,710	10 10	—	64,190 45,820	1,040 1,410	50 30	68,650 74,740	2,550 2,550	80 20	118,220 174,480	16,340 16,340	7,800 7,800	36,650 73,220	5,350 18,320	1,000 1,200	4,710 5,560	180 720	
	99,380	2,580	50	39,120 30,140	690 160	—	—	—	—	13,370 13,370	630 630	20 20	38,480 1,810	— —	—	69,120 69,120	6,430 1,540	29,660 9,950	43,560 29,760	— —	— —	— —	— —	
	67,230	1,490	20	25,980	330	—	—	—	—	1,490	10	—	650	—	—	—	—	—	—	—	—	—	—	
	32,150	1,100	—	—	280	—	—	—	—	17,830	180	—	28,780	770	40	51,930	47,970	2,770	25,240	4,360	—	110	—	
	1,570	—	30	11,570	100	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	32,980	420	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	1,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	433,380	22,910	1,020	118,630	3,330	10	164,200	2,670	130	211,220	14,480	420	448,090	703,820	72,030	317,350	71,030	5,270	—	—	—	—	—	

<sup>1</sup> Ministry of Labour Gazette, January 1967.

<sup>2</sup> There is no draughtsman column in printing. Instead we have designers and typographers.

creating many new openings requiring only a very low level of skill. Much of today's clerical work, if measured in terms of the demands made on the intelligence and skill of the clerk, must be ranked as semi-skilled or unskilled.

13. In short, in both manual and non-manual work women are concentrated in the semi-skilled and unskilled grades. This is brought out even more clearly when the relative position of men and women is examined in the managerial and technical grades. British industry is said to be in great need of scientific and technically trained personnel, and there has undoubtedly been a continuous shortage of draughtsmen throughout the post-war period. Yet, as Table 2 shows, there are in all 23,930 women managers, or 5 per cent of the total, 3,340 women scientists and technologists, or 2·5 per cent of the total, and 2,800 women draughtsmen, or 1·5 per cent of the total.

14. These overall figures are illustrated by investigations carried out in particular areas. In 1958 the Social Survey Division of the Central Office of Information undertook an enquiry into the employment of women scientists and technologists. Of the 785 industrial establishments completing the questionnaire only 13 per cent employed any women at all in these categories, and the total number employed was only 378. In 1961-63 a more detailed study<sup>1</sup> examined the position of women in eight companies. As in the Social Survey study the most outstanding feature of the findings of this investigation was the very small number of women in responsible jobs. Although one third of all employees were women only one in twenty in positions paid over £800 p.a. (excluding secretaries) were held by women. In a recent publication,<sup>2</sup> Political and Economic Planning pointed out that although the Institute of Directors has nearly 1,000 women members they comprise only 2 per cent of the Institute's total membership and of this small proportion many gained their positions through inheritance or marriage rather than through the more normal channels of promotion.

15. The figures in Tables 1 and 2 give the present position. Serious though it is it would matter less if there was firm evidence that the situation is changing. Unfortunately, as Table 3 on page 6 shows, this does not appear to be the case.

16. In non-manual grades out of 17,800 apprentice draughtsmen only 350 are women, of 12,310 other technicians only 160 are women. Among craft apprentices there are 5,430 women out of a total of 277,080. Once again, however, if the figures for the clothing and textile industries are eliminated there are only 2,900 women apprentices out of a total of 271,810 in all the other industries, or little more than 1 per cent of that total.

17. The Central Youth Employment Executive report shows that in 1965 only 6 per cent of girl school leavers entered an apprenticeship of any type, and the majority of these did not go into industry at all but into hairdressing. A further 13 per cent were given some form of planned training.

18. If employers show little inclination to use the latent skills and abilities of their female employees the Government Training Centres can hardly be said to have taken the initiative. Instruction in the GTCs is given in forty

<sup>1</sup> *A Career for Women in Industry*, Seear, Roberts and Brock, Oliver and Boyd, 1964.  
<sup>2</sup> *Women and Top Jobs*, Political and Economic Planning, 1967.

TABLE 3  
NUMBERS OF APPRENTICES IN MANUFACTURING INDUSTRIES, MAY 1966(1)

	Managers		Scientists and Technologists		Draughtsmen		Other Technicians		Clerical and Office Staff		Other Administrative etc. Staff		Crafts	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1. Food, Drink and Tobacco ...	-	-	60	-	10	-	—	—	20	—	—	—	3,150	30
2. Chemical and Allied Industries ...	-	-	320	10	10	—	180	10	30	110	20	4,790	—	—
3. Engineering and Electrical Industries ...	-	-	3,560	40	7,580	170	4,430	30	1,000	500	920	60	89,770	110
4. Other Engineering ...	-	-	920	10	6,000	10	1,540	20	710	450	460	40	68,320	80
5. Other Electrical ...	-	-	2,640	30	1,580	160	2,890	10	290	10	460	20	21,450	30
6. Marine Engineering ...	-	-	10	-	220	-	20	20	10	10	60	60	3,700	—
7. Vehicles Manufacturing and Metal Goods ...	-	-	1,790	10	1,130	-	2,560	10	320	40	680	10	26,740	100
8. Manufacturing and Fur ...	-	-	180	-	580	10	250	-	240	130	130	-	12,300	270
9. Textiles ...	-	-	10	-	10	-	130	-	40	70	40	-	4,030	1,060
10. Leather Goods and Fur ...	-	-	-	-	-	-	-	-	-	—	10	-	—	—
11. Clothing ...	-	-	-	-	10	-	-	-	20	-	50	-	—	—
12. Footwear ...	-	-	-	-	150	-	70	-	30	10	10	10	2,950	—
13. Bricks, Glass etc. ...	-	-	-	-	20	-	10	-	-	-	20	-	380	490
14. Pottery ...	-	-	-	-	60	-	10	-	30	-	20	-	10,850	40
15. Timber, Furniture ...	-	-	-	-	60	-	20	-	110	-	50	-	2,620	310
16. Paper and Bd making ...	-	-	-	-	20	-	—	-	290	90	590	390	16,920	1,430
17. Printing and Publishing ...	-	-	-	-	40	-	-	-	40	-	110	10	1,920	10
18. Other Manufacturing Industries ...	-	-	60	-	50	-	40	-	-	-	-	-	-	-
	-	-	9,630	110	17,450	350	12,150	160	3,150	1,410	3,300	620	271,650	5,430

skilled trades, mainly for the engineering and construction industries. Some women have taken courses in draughtsmanship, screen process printing, retail hespoke tailoring, and canteen catering, but the number of women trainees has been very small and the Government Training Centres are occupied almost entirely by men. So far the establishment of the Training Boards under the Industrial Training Act has not led to any marked changes in policy with regard to training women. Membership of the Training Boards was initially exclusively and is still overwhelmingly male and perhaps not surprisingly the boards, with few exceptions, have concentrated almost entirely on training for men and boys. In September 1966, however, the Ministry of Labour Gazette reported that the Wool Training Board had trained 400 instructresses in mending. It also stated that as yet it had not provided specifically for the retraining of older women, but the Wool, Jute and Flax Board has announced that it is prepared to pay grants for the retraining of adult operatives. This could be a beach-head.

19. Women are undoubtedly to be found mainly near the bottom of the occupational ladder. From the national point of view the existing distribution of womanpower can only be regarded as wasteful. As a nation we most urgently need to attract into and use in industry highly trained manpower for technical managerial and operational work. Yet it is clear that very large numbers of women at present employed in industry are engaged in work well below their capacity and are capable with training of filling posts many rungs of the ladder above those on which they now stand.

20. For the nation this is clear loss. But it is not at the moment a matter which arouses much concern or anxiety. It is important to recognise however that the present pattern of demand for women's labour will not continue unchanged. As the Ministry of Labour Manpower Research Unit<sup>1</sup> forecasts have shown, by the 1980s there will be more white-collar than manual workers in manufacturing industry in Great Britain. While the total numbers employed will not decline, there will be a marked reduction in routine manual work. It is in fact precisely the types of jobs on which women in industry are employed which are most likely to be affected as automation and process industry develop. The position in the office is on present evidence less easy to predict, since so far in most cases the introduction of office automation seems to have slowed down the rate of increase in the number of clerical workers but not to have led to an absolute reduction. It seems reasonable to assume however that this state of affairs can continue only for a transitional period and that ultimately the number of routine office jobs must be cut down.

21. In short, two of the major areas of women's employment, unskilled and semi-skilled manufacturing work and routine clerical work, are among the occupations most likely to be subject to drastic change and reduction over the next twenty years. On the other hand in manufacturing industry there will be an increasing number of technical and skilled jobs to be filled. In terms of innate capacity there is no doubt there are women capable of taking on these new types of work. If the attitude towards the employment of women in these grades remains unchanged, however, and if girls

<sup>1</sup> The Pattern of the Future—Ministry of Labour Manpower Studies No. 1, H.M.S.O. 1964.

and women do not begin to prepare themselves for work of this kind, the situation could arise in which with the traditional women's jobs greatly reduced in number women would be left looking for work but would be unsuited and unprepared for the important technical work crying out to be done.

22. What accounts for the existence of a situation so obviously wasteful today and dangerous for the future? Why are so few women training in view of the much publicised shortages? Why have not women themselves, and the trade unions that represent them, campaigned vigorously for greater influence for women in Training Boards? And why have not society in general and employers and public authorities in particular encouraged and helped women to fit themselves to fill the gaps in the ranks of the highly qualified and skilled?

## B. REASONS FOR THE PRESENT SITUATION

23. One reason why so few women are equipping themselves for responsible work in industry is no doubt the belief that the vast majority of employers are not prepared to take on women for responsible posts. The attitudes and arguments of employers are therefore of the first importance, and need to be examined in detail.

24. In the study of eight companies already referred to, an attempt was made to probe managers' reasons for the near exclusion of women from responsible jobs by interviews carried out with senior managers in the firms studied. When asked what jobs were unsuitable for women they normally produced a fairly lengthy list. It was found however that in nearly every case a job mentioned as unsuitable for a woman in one company was in fact being done elsewhere by a woman. In every company managers considered that women were unsuitable for supervising male labour, insisting that men would not stand for it. This was the reason given for the absence of women in line management positions and it was pointed out that senior management posts frequently required line experience and were therefore in turn not available for women. Dislike of a woman boss was reflected in the managers' responses when asked how they would themselves feel if they had to report to a woman: "Resent it", "Resign", "Ghastly thought", "Would make the best of it", "I would assume that she was very good to have got the job", "It would be an indictment of the men employed", "I don't like the sort of women who want that sort of job", were among the responses. The managers' additional explanations for the exclusion of women ranged from the traditional view that "since women do not stay it is too expensive to train them" to "absence of creative ability", "women cannot stay alone in hotels", and "women have emotional crises and cannot stand being kicked". Such views are clearly to some extent emotional and prejudiced. They reflect however attitudes widely held and the rational arguments supporting them require serious examination.

25. These arguments include the objection that women do not stay sufficiently long to justify the cost of training; that men will not work under women, and that women themselves prefer to work under men; that women's abilities are of a different order from those of men and that they are therefore unfitted to enter certain kinds of work; that women ought not to do

physically heavy and dirty work and at manual work level protective legislation makes them less useful than men and adds to the expense of employing them. In addition it is claimed that women do not really like responsible jobs but prefer to be assistants rather than principals. If these arguments are sound the case against women is undoubtedly established. How much truth do they in fact contain?

26. In support of the argument that women do not stay long enough in employment to justify expensive training, it can be agreed that the labour turnover figures for women are generally a good deal higher than for men. But even this statement cannot be accepted without some qualification. There is no uniformity in the turnover figures of either men or women. In one study it was found that the turnover of women in responsible positions was as low as 14 per cent. To some extent the high turnover figures attributed to women may well be as much a function of the level of their work as of their sex. Turnover for men is normally higher in unskilled and semi-skilled grades than it is among the skilled. Since it is in these lower grades that women are in the main employed it is not known how the men's and women's turnover rates would compare if the level of work were the same for both sexes. For those with more responsible work the relative position of men and women is again affected by special considerations not always necessarily to the disadvantage of women. Ambitious young men graduates in their twenties and early thirties may well shop around in search of experience and rapid advancement, but opportunities for women in a comparable grade are so much more rare than opportunities for men that once a woman has obtained a responsible post she knows she is unlikely to be able to improve her position by moving. In these circumstances a woman may well prove less, not more, prone to leave than a man in a similar job.

27. While these points may be conceded it cannot of course be denied that the vast majority of women marry and leave employment on the birth of their first child, if not before. It used to be true that for this reason the working life of most women was very short. Today, as a result of family planning the average woman has had her last child by the time she is 30 and it is now a common practice for a married woman to return to work in her late thirties or early forties. Her working life is interrupted, not terminated, by child bearing. Increasingly women are deliberately planning their lives on this basis. In the eight companies' study, 74 per cent of the young graduates questioned said that they intended to return to work after a break: an eight-year period at home being the interval most frequently mentioned. An investigation by the British Federation of University Women<sup>1</sup> showed that 60 per cent of the graduate wives studied were in fact in full or part-time employment.

28. This change in the life pattern of women does not however entirely meet the objection that women's utility in employment is limited by their erratic attendance. It is not only labour turnover but also absence from work which reduces their value to an employer and which makes it difficult to promote them to jobs in which such absence could cause considerable disruption. Since the demands of a young family will inevitably lead to interruptions of work married women are often viewed by employers less favourably than single women or men. But the problems of women's employment in the future

<sup>1</sup> Graduate Women at Work, ed. Constance E. Arreger, British Federation of University Women. Oriel Press Ltd., 1966.

will be the problems of married women's employment, since the surplus of men over women below the age of forty is leading inevitably to a higher rate of marriage among all women, and the virtual disappearance of single women. Dr. Viola Klein,<sup>1</sup> who carried out an enquiry into employers' attitudes to married women in 120 firms in the United Kingdom concluded that: "Married women are considered to have disadvantages . . . any many employers would not willingly engage them if alternative labour is available. Often employers, while prepared to accept married women for unskilled work will not readily accept them for skilled work or offer them promotion." In view of these objections Dr. Klein enquired particularly into the record of married women workers with regard to attendance and labour turnover. It is interesting that 52·5 per cent of the firms found the married women's attendance record as good as, if not better than, that of the single women, and 39·2 per cent found it as good as or better than that of men. With regard to labour turnover, 56·7 per cent of the companies found married women's turnover rates lower than that of single women and 44·2 per cent found them lower than men's.

29. These figures certainly support the view that on the whole women's turnover and absence figures are higher than those of men, though they do not bear out to any great extent the particularly unfavourable impression created by married women. The attitude towards married women needs to be further qualified in the light of the other work undertaken by Dr. Klein and other research workers. A number of individual companies in their replies to Dr. Klein paid marked tributes to their married women employees. A laundry firm commented: "We find the married woman probably more loyal and conscientious than the single woman." A firm of distributors, where women employees had to deal with the public, said: "We find the older married women very much better at this type of work than the younger women." A shipbuilding employer considered that married women working in the offices "tend to be more settled and more conscientious, and hence better workers, than single women". The younger married women with children to look after were, it is not surprising to find, on the whole less reliable employees than the older married women with less demanding home responsibilities. Once again generalisations cannot be made about women as a category.

30. There are in fact two main answers to employers who fear that women are a bad investment. No generalisations can be made about women as a whole which stand up to detailed investigation. Prospective employers need to discriminate in choosing women in whom they are prepared to invest, having regard to their level of education, special qualifications and circumstances, and to the level of work for which they are being recruited. It has also to be accepted that among the women seeking advancement there is now a very widespread desire to combine both family life and a career, and women are planning their lives on a long term basis with this in view. The same trend is also noticeable in America where there is some evidence of an even shorter period of total withdrawal from employment among women in the very highly qualified categories.<sup>2</sup>

31. A second argument frequently advanced against the employment of women is the assertion that women's abilities are of a different order from

<sup>1</sup> *Britain's Married Women Workers*, Dr. Viola Klein. Routledge and Kegan Paul, 1965.

<sup>2</sup> *Life Styles of Educated Women*, E. Ginsberg and Associates. Columbia University Press, 1966.

men's and they ought therefore to do different types of work. This statement by itself confuses the issue and settles nothing. No sane person denies that there are some human activities which are better performed by women and others which are better performed by men, but most people will also agree that there are some tasks for which the sex of the worker is irrelevant and where competence varies not with sex but with personal characteristics. The problem is to discover the extent of this neutral area. When this is known the next step is to find out whether an appropriate proportion of women are in fact working in this area and, if not, to explain why this is so.

32. No precise answers to these questions exist, but a number of facts indicate that the potential range of women's work is far wider than our current practices suggest. There is in the first place no evidence at all of any difference between the intelligence of males and females. So far as school records are concerned, at "O" level standard the performance of girls is as good as the performance of boys. The proportion of girls taking "A" levels is smaller than the number of boys but of those who sit the pass rate is as high. It is often argued that though abilities may be equal, interests and therefore the urge to pursue particular kinds of work is markedly different, and the games and habits of children are quoted in support of this point. We do not know, however, to what extent these differences are the result of the expectations and attitudes of parents and other adults who often sub-consciously encourage different behaviour by the toys they give to children of different sexes and by the way they clearly expect them to behave. The relative ease with which many women were trained in wartime to do work in industry and the services traditionally done by men suggests that it is custom rather than innate differences which explain their adult behaviour. The success of Russian women engineers, who comprise no less than one in three of all the engineers in that country, supports this argument. There can in fact be little doubt that the neutral area is much larger than is usually admitted in this country.

33. A further common objection is the existence of special legal protection for women industrial workers. Such legislation was first introduced in this country in 1844 and was based on the assumption that women were physically weaker than men and were unable to protect themselves, either individually or as a group. This legal protection, particularly with regard to limits on women's hours of work, is now seen by some women as a handicap. It often seems to be based on discarded views of the position of women and has not been revised to keep pace with changes in industry in which today in very many areas work is no longer physically heavy. In 1963, the ILO in its report "Women Workers in a Changing World" argued that "most kinds of work regarded as dangerous or unhealthy for women are equally dangerous or unhealthy for men, and it is thus the work itself or the conditions in which it is done that need to be changed and improved with consequent benefit both men and women workers alike". Such an approach would simplify administration, benefit men workers and remove the employers' argument for excluding women on grounds of the cost and inconvenience involved in their employment. This matter is at the present time under review by a committee appointed by the Ministry of Labour.

34. Advocates for improvement in the employment position of women often encounter the argument, used by employers but not only by em-

that women themselves do not want advancement. Women, it is contended, enjoy routine work, dislike responsibility, and prefer to be the aide and support of the leaders, rather than to take leadership positions themselves. It is usually also suggested that not only will men not work for women but that women themselves prefer a man as boss. The relatively low numbers of women in trade unions are quoted in evidence that women do not care sufficiently about their employment position to organise to improve their status.

35. Even the most ardent feminist will agree that there is no great upsurge of protest by women against the existing situation. It is also true that fewer girls than boys take advantage of the educational opportunities by staying on at school after statutory school leaving age, that far fewer attempt to gain any form of higher or further education, and that when a good job is going begging it is often remarkably difficult to find a woman applicant.

36. Is this apparent lack of ambition and acceptance of the *status quo* to be taken as evidence that women are in fact satisfied with the present state of affairs, and would not respond if offered wider opportunities? It is difficult to produce facts to support either side of this argument. Human beings are remarkably adaptable and most people, once they have recognised a brick wall for what it is, decide not to bang their heads against it. Custom and the expectations of one's social group are powerful forces. In other spheres of life, as the crime figures show, women do seem more inclined than men to accept and to conform to established social norms, and if at work they are expected to fill the least skilled, least well paid and least responsible jobs, then many no doubt never challenge the assumptions on which this position is based, accepting it, if scarcely with enthusiasm, yet certainly without protest. This conformist attitude is no doubt reinforced by the near certainty of marriage after a few years of employment and also perhaps by the widely held belief that men are not attracted to women with serious work ambitions. It is however naive to generalise about women as if the entire sex reacted in a uniform manner to work opportunities. The expectation of marriage apart, different women have widely differing aspirations. When, for example, the Central Office of Information enquired into the aspirations of women scientists employed in industry they found very considerable criticism of the level of work on which women were employed and the lack of prospects of promotion. Such women represent the minority who are conscious of disappointment and frustration. At the present time it is only a minority. It is highly probable, however, that a very much larger proportion of women, once they had been awakened to the possibility of more interesting, responsible and better paid work, would discover unrecognised potential abilities within themselves and would find for such work an appetite that grew with eating. Studies among younger women graduates already make it clear that a high percentage of them do not merely want to be able to find any job when their children are old enough for the mothers to return to work, but want to be able to continue their careers using their talents and their training. Moreover, if there were some connection between sex and the willing acceptance of routine work it would apply to all women everywhere and all the time.

Yet there can be little doubt that in both world wars many women greatly enjoyed the opportunity of learning new skills and of tackling unfamiliar and responsible work. And the range of work undertaken by Soviet women does not suggest that women as such are inherently averse to demanding and complex jobs.

37. These two illustrations of variations in women's attitudes suggest that it is social expectations rather than innate female characteristics which largely determine women's approach to work. If society as a whole expects women to accept subordinate positions and to like it then it seems a high proportion of them will probably do so. But if as in wartime and in Russia society gives positive encouragement and approval to the women who tackle tasks which use and stretch their capacities then it seems more than probable that women will respond.

38. No-one will doubt that in our present society many men would not like to work for women. Perhaps one of the greatest objections is not in fact to working for a woman but to admitting to other men and to their wives that their boss is female. Yet on a small scale this happens, for example in the civil service and in the universities, without, it seems, explosive results. Even the common assertion that women do not like to work for women needs modification. It was one of the most interesting findings of the eight companies' study that a large majority of women who had in fact never worked for a woman said they would prefer a male boss, but among the women who had at some time worked for a woman the majority had no special preference for either a man or a woman. Myths have powerful influence but such evidence as there is suggests, not for the first time, that actual experience may undermine the power of mythology.

39. Those who object to women in responsible posts often support their assertion with colourful examples of neurotic and overbearing females who work out their frustrations on their unfortunate subordinates. Some of these portraits, though perhaps overdrawn, are not untrue. But before generalising from such cases it is important to remember that women who have in the past reached such positions have often been remarkably atypical. If more women held such posts it is likely that their personal characteristics would be different from those of the pioneers and in some ways more easily acceptable. Moreover, in view of the difficulties women encounter on the way up the promotion ladder it is not surprising if some of them emerge rather the worse for wear by the time they approach the higher rungs. Nor must it be forgotten that women in such positions are easy targets for criticism, and they know that they are. Just because they feel they dare not put a foot wrong they sometimes appear to try too hard and too obviously, creating tensions in situations which can in fact only be handled by the relaxed. Once the position of women is taken for granted and it becomes a matter of indifference whether a post is held by a man or a woman then much of the strain may well disappear and with it the criticisms levelled against women.

40. Women's failure to organise in large numbers in trade unions in pursuit of their own interests is often regarded as further evidence of their lack of concern for their working lives. It is true that in 1938<sup>1</sup> there were

<sup>1</sup> "Women Workers"—TUC publication.

only 926,000 women trade unionists, comprising 15.5 per cent of total trade union membership. By 1965 however the number had risen to 2,208,000 or 21.7 per cent of total membership, women's membership having increased even in years when the figures for men had been stationary. In 1965 over one-third of all employed persons were women compared with only one-fifth of all trade unionists, but before this is taken as overwhelming evidence of women's indifference to unionism three points must be considered. In mid-1966 no less than 17½ per cent of all women at work in manufacturing industry were part-timers, who are obviously far more difficult to organise than full-time workers, if only because their take-home pay is so small that they have little to spare for trade union contributions. In addition, clerical and distributive trades, which employ so high a proportion of women, are areas in which trade union organisation among both men and women is low. The fact that women in these occupations tend to be unorganised may be because of their sex but it may also be a result of the traditional attitude towards trade unions in these types of employment. The likelihood that this is at least in part the explanation is reinforced by the fact that there are very large numbers of women trade unionists among clerical workers in the public sector, in which trade union membership is encouraged and widespread. There are no less than 87,845 women members of the Civil Service Clerical Association, of which they form 60 per cent of total membership, while 36,450 women make up 54 per cent of the membership of the Confederation of Health Service Employees. The argument that given favourable circumstances it is possible for women to be very effectively organised is supported by such figures as 91,789 women members of the National Union of Tailors and Garment Workers (83 per cent of the total), and 37,476 (79 per cent of the total) in the National Union of Hosiery Workers. For a number of years women have run their own annual trade union conference, passing resolutions and pressing for reforms with regard to women's pay and working conditions and also on a large number of more general matters of importance to women.

41. It is not, it is clear, possible to refute entirely all the statements made to justify the very small number of women employed in skilled and responsible work. On the other hand, it is quite plain that none of the familiar explanations can be accepted without considerable reservations.

42. The existing situation is unsatisfactory and likely to deteriorate. It is also not inevitable, in that none of the arguments advanced to explain it can be accepted without qualification. What then can be done to improve matters?

### C. WHAT NEEDS TO BE DONE

43. If better use is to be made of today's womenpower and if the more serious situation foreseeable in the future is to be avoided, then first and foremost a change is needed in the climate of opinion regarding women's work. In addition women must be offered new opportunities and must be given positive encouragement to accept them.

44. The effect of the climate of opinion on women's attitudes to work has not been measured and it would be difficult if not impossible to measure with any precision. Yet it is not unreasonable to suggest that this is the single biggest factor influencing the use made of womenpower. In subtle and not so subtle ways an atmosphere is created and sustained which

still makes it appear peculiar or comical for women to be both feminine and using their capacities to the full. This attitude thrives while a book reviewer in even a serious journal thinks it relevant to refer to an authoress as "handsome", while BBC commentators make facetious asides about women in scientific and managerial jobs, while the public and Press chatter nervously about the way to address a woman judge, while a schoolgirl in a mixed comprehensive school can be told that "technical drawing is only for boys". All these instances in themselves are trivial—too trivial to record it may be thought—but they could be multiplied a hundredfold and are both symptoms of present opinion and a way in which such opinion is reinforced. Changes of attitude are notoriously difficult to achieve but without a change of attitude the present situation will go on with a small advance here and there and the continued occasional emergence of a woman whose achievements and success are too outstanding to be denied, but who is explained away as the exception which proves the rule. Real changes of attitude cannot take place unless the reasons for the attitudes are understood by those who hold them, the fears on which they are based are met, and the persons concerned are directly involved in the process of change. Public opinion is based on the opinions of individual men and women, of men in all levels of work and of women both at work and at home. At one level men's objections to opening up new opportunities for women are entirely rational. Organised skilled occupations and learned professions have always contained an element of exclusiveness, based partly on a genuine desire to maintain high levels of performance, partly on a sensible understanding of the advantages to be gained by restricting supply. To open the door to women either in the skilled trades or in the ranks of management would make the competition tougher for men and would weaken their bargaining position in the labour market. In companies or trades which are failing to grow or are positively contracting such additional strains would prove intolerable and such changes should probably not be attempted. Where, however, as in the case of the new science-based industries in general and of such scarce occupations as draughtsmen, there are chronic and serious shortages, the threat is greatly reduced. If a deliberate attempt were made in such areas to attract, train, and where necessary re-train, women this would do more than any other single thing to influence the climate of opinion among men and to reduce the apprehension with which women's advent is viewed.

45. Men's opposition to women in responsible posts is not however solely based on rational considerations of the labour market. The position of women in the family and the extent to which they are able to maintain themselves without dependence on the family have changed very rapidly in the last generation. This is not the place to discuss the difficult psychological and sociological adjustments which such changes demand. Even the most mature and well adjusted men often find it a conscious effort to accept such alterations. The wife who works frequently brings many assets to home and family, but there may well be a price to be paid in terms of the man's comfort and convenience. Many men have adapted remarkably to a regular quota of shared chores and baby-minding but it must often have been a considerable wrench to sacrifice their traditional domestic leisure.

46. Nor should it be suggested that men's resistance to these changes is purely selfish. Much of the talk of families neglected by working mothers

has been exaggerated, emotional and unsubstantiated, but such neglect has, on occasion, occurred and it is not sufficient, though true, to point out that mothers who do not work are also sometimes negligent. Careful studies<sup>1</sup> such as that undertaken by Professor Yudkin and Anthea Holme have shown the conditions under which mothers working can strengthen rather than weaken the family, but there are real threats and it is surely right that society should voice its legitimate anxiety in so vital a matter.

47. These fears have not so far been fully answered and until they are, public opinion will continue to view working mothers with some suspicion, and the mothers themselves are likely to approach jobs with some degree of conflict of mind, a situation in which they may well make the worst of both worlds. To solve these problems more research is needed into the effect of wives that work on their families at various stages of the family's development, and determined efforts must be made to see that services exist to enable women to meet the dual obligations of home and work. Where possible, these facilities should be run on an economic basis since in the long run it is no help to the position of women if their work is subsidised by a reluctant tax-payer.

48. Men's dislike and fear of women in responsible positions are not based solely however on rational objections which, given the will, can be met without too great difficulty. It is probably true that an emotionally insecure or an immature man sees a woman in authority as a psychological threat. The problems of relations of men and women at work cannot be separated from the more general problems of the relations of men and women, and any attempt to deal with the work situation will fail unless this fact is appreciated. Much more research into and open discussion of these problems is needed and until this happens public opinion, insofar as it is male opinion, is unlikely to shift to the extent needed if more than marginal changes are to take place.

49. Public opinion is not of course solely masculine. Most working women would agree that women are by no means always helped by the attitudes of other women. For the more successful career woman there is a certain satisfaction in being one of the few women moving in a masculine world. Such a position can provide powerful compensation to sexually unsuccessful women who find it attractive and flattering to be regarded by male colleagues as different from other women. This type of satisfaction depends on scarcity value, and such women may well subconsciously be unwilling to alter this personally satisfying state of affairs. So far from promoting opportunities for other women they may in fact positively block them.

50. If career women do not always go out of their way to help other women to scale the ladder, it is not surprising that little support is forthcoming from the housewife living at home. Yet the housewives' attitudes may in the long run be the most important of all in shaping public opinion, since the standards and expectations of the mother are likely to have considerable influence on the attitudes of both her daughters and her sons. Many a man who is unwilling to see women emerge from women's traditional limited work roles may well be reflecting standards and prejudices absorbed from a mother who viewed independent and successful career women with a mixture of envy and disapproval.

<sup>1</sup> *Married Women Working*: Jephcott, Seear and Smith, Allen and Unwin 1962.  
*Working Mothers and their Children*: Yudkin, S. and Holme, A., Michael Joseph 1963.

51. We do not know enough about these attitudes or the feelings underlying them to understand how change could be brought about. It may however be connected with the feeling, common it seems among a number of women who do not go out to work, that housewives are not held in high regard—"I am only a housewife". Since it would be a very uncomfortable world if there were no women left with a little time to spare, and a lost world if there were no mothers devoting most of their time and thought to their husbands and children, this attitude needs to be firmly resisted. Housewives made more confident of their own role would be able to be more generous towards women at work outside the home. It is only as such changes come about in public opinion that action will in fact be taken to create new opportunities for women at work.

52. Since training is the key to opportunity, education and training must be the first line of attack. The science and mathematics teaching in girls schools is often woefully deficient through the schools' sheer inability to attract qualified staff. Everything possible must be done as a matter of urgency to help schools to find solutions to their staffing problems. Quotas for teaching staff, based on a desire to secure fair shares for all schools, should not lead, as it sometimes does, to a refusal to engage qualified married women on a part-time basis, women whose presence as an addition to the school's staff would give to some girls opportunities which would otherwise be denied them. Girls and parents need also to be convinced that prolonged education is a very good investment for the future. The need to learn and re-learn in middle age is constantly stressed, but it is not so forcibly emphasised that learning is a habit hard to acquire and easy to lose. Broadly speaking, the longer a person goes on learning the longer he can—the sooner learning stops, the more difficult it is to re-acquire the knack. Girls who leave school at the earliest possible moment are likely to be severely handicapped when re-training is needed twenty years later.

53. After leaving school, whether at the statutory leaving age or later, the choice of job has to be faced and the possibilities of vocational training considered. Of recent years careers advice has been improving, as the report of the Albemarle Committee made clear. Very many people would agree, however, that such advice is too often not given soon enough to help a girl to select her optional subjects at school with her ultimate career requirements in mind. Since it is improbable that youngsters will make a firm career decision at the age of 13 or 14, or even earlier, it needs to be stressed to both parents and girls that to abandon such subjects as mathematics at an early age almost certainly means abandoning career possibilities which might subsequently appear highly attractive. There is also no doubt that many girls remain totally ignorant of the diverse and developing work going on in industry. Writing in 1964 of interviews held with 290 sixth form girls, Mrs. V. Roberts commented: "Engineering particularly was unpopular as a career. Dislike of it was based on a bias against industry, on a belief that there were a great deal of prejudices against girls, and of considerable ignorance of the range of work covered by the term. There was some difficulty experienced, even by girls who were interested, in finding out about science careers. They maintained that careers advice in sufficient detail was not always available to them,

and that advisers were not always well informed." Girls' individual comments included such remarks as "I shall take a mathematics degree, I would be interested in engineering on the electrical, scientific instrument, or heating and ventilating sides, but it is too hard to get a training", and "I would like engineering but I don't think I have the training because I have not done technical drawing", "Girls don't have training for engineering", "I would like to know about jobs using mathematics and science openings. I might like engineering. My father is an electrical engineer, but girls don't know anything about openings in engineering for them."

54. The need to arouse the interest of girls and their parents in technical careers and the opportunities for technical training has been recognised in other countries. In October 1967, the French Minister for National Education sent a circular to all headmasters pointing out that technical and professional training opportunities should be available to both boys and girls without any discrimination on the grounds of sex. Such an emphatic lead from Government, employers and trade unions, and in particular from the industrial training boards, might bring about substantial changes in this country.

55. The problem of training is not only a problem for school leavers. Because nearly all women leave employment on the birth of their first child their re-entry to employment is as important, if not more important, than their first job on leaving school or college. Since in the future the vast majority of all women at work will be older married women, the utilisation of these women is of great economic importance. The better education and training they have had before giving up employment, the more easily will they be re-absorbed. But even the highly educated and professionally trained will be far more effective if they are helped to keep in the closest possible touch with their profession while not actually employed, and if refresher courses are tailor-made to meet the needs of the older woman with some considerable continuing domestic responsibilities. Cash through tax adjustments, domestic assistance and favourable public opinion are the most necessary requirements. The trained women returning to work in their own field of employment are probably the easiest group with which to deal. Many women of good education, but whose original training has been inappropriate for the work available, will need a full training scheme, not a refresher course. These women at present easily slip into work which is much below their potential level. Much better vocational guidance should be given to such women, and training carefully planned with their special requirements in mind. It ought not, for example, to be impossible to commence training while the mother is still tied to the home for most of the week. A good deal of progress in some fields could be made with private study assignments guided through small tutorial groups held once or twice a week at times convenient to the students. Such women would also greatly benefit from programmes organised through the University of the Air.

56. Opportunities for training are the first essential steps but they are only a beginning and much training must in any case take place in industry both in formal apprenticeship and learnership schemes and through the essential learning that can only come through experience on the job. It is

here, in particular, that a part must be played by trade unions and professional associations. It is alleged that women have done little to help themselves through active membership of trade unions. As has been shown, this failure has been somewhat exaggerated and the position has undoubtedly improved in the post-war period. But the blame for women's slow progress in union activity does not lie with women alone. There is not much evidence that men trade unionists as a whole, with many outstanding personal exceptions, have been greatly concerned with the position of women workers except in circumstances in which the exploitation of women has been seen as a threat to the position of men. Although in the nineteenth century such unions as the Amalgamated Cotton Spinners Association and the National Union of Boot and Shoe Operatives accepted women members, many others regarded women as interlopers. Even in 1890 one trade union still had a rule stating: "No female allowed in the capacity of either piecemaker, turner or bottomer. Any member working where a female does either process shall be forfeit £1, and, should he continue to do so, shall be excluded." Though this was no doubt an extreme view, male unionists were on the whole content to see women fight their battles alone, even though too often the battles were lost. Even since the Second World War there has been little evidence of active assistance for women in the union movement as a whole. As long ago as 1957, Lord (then Mr.) Carron of the AEU pointed out that girls were eligible for engineering apprenticeship. It is difficult to believe that if his union had really wanted to see an improvement in training opportunities for girls the figures a decade later would be as low as those quoted in Table 3. If the unions were concerned to improve the status of women, steps would be taken to bring women into positions of influence within the union movement itself. There have of course been very distinguished women trade unionists, and a woman chairman of the TUC, but they must be regarded as completely atypical. In 1966, for instance, in the Transport and General Workers' Union with 195,577 women comprising 13 per cent of total union membership there were only two women national officers, no women officers at all at regional or district level, one woman on a trade group executive, and one woman member of the TUC General Council. The same union runs one week training courses for members which provide excellent opportunities to help women to be more effective as trade unionists. Yet of all those attending only 3·9 per cent were women in 1964, 4·7 per cent in 1965, and 5·7 per cent in 1966. Neither in relation to employers nor in internal trade union affairs does it appear that the trade union movement as a whole has regarded the position of women as a matter calling for vigorous action.

57. If women need opportunities for training and job experience, they also need positive encouragement if they are to make the effort necessary to stay the course in training and employment to the point at which they make the contribution of which they are capable. It is a main theme of this paper that, with many exceptions, women are not at present greatly concerned about their employment situation. This implies that the country as a whole, which stands to gain from an improvement in the effective use of women, needs to take positive action to change this state of affairs. Women rightly expect to marry, and married women can usually rely on support from husbands, even if the standard of living provided is lower

than they might wish. No married woman can entirely shed her domestic responsibilities and most do not wish to do so. The vast majority of married women in paid employment carry the whole of the domestic load in addition to their paid employment, aided only by the assistance, often it is admitted quite considerable, of husbands and other members of the family. If going out to work involves a great deal of additional labour for women it also involves some additional cost. Transport, additional clothing, insufficient time to shop as economically as possible, all reduce the ultimate value of the pay packet. Indeed, given women's present rates of pay and average earnings, it is remarkable that so many women bother to go to work at all, that even more than at present do not decide after a few months or weeks that the game is not worth the candle. Women do not habitually give low rates of pay as their main reason for abandoning work. But faced with even minor domestic crises, or an attack of husbandly griping, it is not surprising that a married woman finds the money she earns an inadequate incentive to summon up the additional effort needed to overcome the additional problems. In April 1966 the average women's gross earnings for manual workers for a 38.5 hour week were £9 19s. 0d. compared with men's average earnings of £20 5s. 0d. for a 46.4 hour week. For administrative, technical and clerical employees (monthly and weekly paid) in industry in October 1965 the average earnings were £25 8s. 11d. for men and £10 9s. 1d. for women. In public administration and certain other services the figures were £25 13s. 4d. for men and £15 18s. 8d. for women. Averages notoriously conceal as much as they reveal. In the industries analysed for these Ministry of Labour figures the women's earnings figure varied from £14 0s. 0d. for a 43 hour week on Transport and Communications (excluding railways, London Transport and British Road Services) to £8 11s. 0d. for a 39.3 hour week on Miscellaneous Services, including laundries and dry cleaning, motor repairers and garages, and the repair of boots and shoes.

58. In November 1967 Incomes Data Services Ltd. published the results of an enquiry into women's pay in industry groups covering four million women workers. This enquiry is concerned with negotiated base rates, not with earnings. Table 4 on page 21 lists all the national negotiating groups where women constitute more than 25 per cent of workers under agreement and where the women's base rate is below £8 0s. 0d. per week. It also shows the relationship of the women's rate to the men's rate. Basic rates for men in manufacturing industry are almost meaningless as few men are to be found actually earning as little as the basic rate. A very large number of women are also paid above the actual minimum, but the level of women's average earnings suggests that the basic rate has a great deal more significance for women than for men. In the engineering (manual) industry, for example, the women's basic rate (quoted by Incomes Data Services Ltd.) is 92 per cent of the men's rate but women's earnings are only approximately half men's earnings. It is claimed that the differential on basic earnings has been narrowing in recent years. Incomes Data Services, in considering this point, comments that between 1962 and 1967 "there has been a reduction in the differential between women's lower minimum rates and those of men in 62 of the 99 negotiating groups studied; in over one-fifth of the groups the reduction has been more than 5 per cent. Of the remaining 37 groups, 6 had women's rates equal to those of men throughout the period; in 22 there was no change in the percentage differential; and in the 9 the differential increased (but in several of these 9 groups the number of women is

negligible and in others there have been special circumstances)." The slowness of women's progress is emphasised by the fact that of the nearly four million women covered by the Incomes Data Services enquiry, only 172,000 were in industries in which the national agreement laid down a women's minimum rate equal to that of men. In the public services non-industrial workers received the same rate regardless of sex, but this policy does not apply to industrial workers in public employment.

TABLE 4  
WOMEN'S MINIMUM RATES BELOW £8 PER WEEK  
NATIONAL NEGOTIATING GROUPS WHERE WOMEN ARE  
ESTIMATED TO CONSTITUTE MORE THAN 25 PER CENT OF  
WORKERS UNDER AGREEMENT

Industry Group	Estimated No. of Women	Women's Minimum Rates for Lowest Grades	Women's rate as per cent of Men's rate
Cinema Employees ...	20,000	5. d.	60
Handkerchiefs ...	4,600	112 6	66
Unlicensed Places of Refreshment ...	155,000	121 0	66
Wool Textiles—Yorks ...	85,000	126 6*	75
Hosiery Mfg.—Midlands ...	54,000	129 9	66
Industrial and Staff Canteens ...	150,000	130 10	66
Wool Textiles—West of England ...	3,000	131 0*	74
Retail Newsagency—Scotland ...	11,000	133 8	66
Aerated Waters—E and W ...	7,000	137 6	73
Baking—E and W ...	42,000	139 0	72
Dressmaking—E and W ...	134,000	140 0	70
Lic. Non-Residential Estab. ...	162,000	140 0	75
Laundering ...	76,000	144 5	76
Made-up Textiles ...	7,300	145 0	74
Narrow Fabrics ...	12,000	146 6	74
Hat, Cap and Millinery ...	8,000	146 8	77
Shirt Making ...	31,000	146 8	74
Carpet Manufacture ...	16,900	147 8	67
Lic. Residential Estab. ...	120,000	148 0	77
Corset Manufacture ...	16,500	150 0	74
Silk Spinning ...	5,000	150 0	73
Textile Bleaching ...	12,000	151 2	70
Surgical Dressings ...	8,500	151 6	73
Ready-made Tailoring ...	72,000	151 8	77
Wholesale Mantle ...	53,000	151 8	74
Hairdressing ...	n.a.	152 0	76
Hosiery Manufacture—Scotland ...	12,000	153 0	67
Retail Newsagency—E and W ...	69,000	153 0	74
Food Manufacture ...	30,000	154 0	72
Pottery ...	25,000	154 11	65
Tin Box Manufacture ...	19,000	155 10	72
Toy Manufacture ...	18,000	155 10	80
Fibreboard Packing Case ...	6,450	155 10	74
Cocoa, Chocolate and Sugar Conf. ...	50,000	156 6	73
Retail Food—E and W ...	266,000	157 0	75
Retail Bespoke Tailoring ...	9,800	158 4	75
Retail Bookselling ...	20,000	158 6	75
Biscuit Manufacture ...	32,000	159 0	74
Retail Bread—Scotland ...	10,000	159 0	76

\* Including meals on duty.

Extracted from Incomes Data Report 33, November 1967.

59. The case for equal pay has long been accepted in principle by the trade union movement and in other quarters. It is a principle supported by the ILO in the Equal Remuneration Convention and Recommendation adopted in 1951, but not ratified by this country. The Treaty of Rome (Article 119) also accepts the obligation to introduce equal pay. Article 119 makes it clear that equal remuneration means that: "Remuneration for the same work at piece rates shall be calculated on the basis of the same unit of measurement and that remuneration of work at time rates shall be the same for the same job". In 1961<sup>1</sup> a conference of Member States of the European Economic Community passed a Resolution on Equal Pay and dealt with the interpretation of the policy by explicitly prohibiting (1) the application of a legal minimum rate to men only, or by fixing different minimum levels for men and women (a point of interest in view of renewed discussion in some quarters in this country regarding the establishment of a national minimum wage); (2) collective agreements which fix pay at different levels according to sex (the normal practice in this country); (3) different bases for time rates and piece rates for men and women; (4) the use of job methods systematically to down-grade women and the use of comparison factors having no connection with the objective conditions in which the work is carried out.

60. Progress in implementing the Equal Pay policy in the Community has in fact been slow<sup>1</sup> and it is admitted that the countries have not kept to the timetable laid down. The 1961 Resolution does however spell out an interpretation of equal pay which could have very important consequences for women in employment.

61. Discussions on equal pay in the United Kingdom have been taking place in 1967 between the TUC and the CBI. It has not however been possible for them to agree on a definition of the term. If, as in the past, the issue of equal pay is said to arise only when a man and a woman do the same job agreement might not be difficult, but the improvement from the women's point of view would be slight since in only a relatively small number of cases in manufacturing industry can it be said that men and women are in fact doing the same work. The distinction between a customary man's job and a customary woman's job has been maintained too rigorously to allow this situation to occur frequently. It is only if equal pay is interpreted, as the TUC argued it should be, to imply equal pay for work of the same value that sufficiently substantial changes would take place to give a new significance to women's employment. Even if this interpretation were finally agreed, pitfalls would still remain. The concept of equal pay for work of the same value would if applied lead to the establishment of a single base rate, the same for men and women alike. With this rate as the foundation appropriate wage structures would then be worked out. If, however, women were consistently found to occupy the great majority of jobs at or only slightly above the minimum level, and few if any of the jobs on the higher rungs of the ladder, then the achievement of equal pay would have been a hollow victory.

62. If an attempt is to be made to make more effective use of womanpower the question of equal pay cannot be indefinitely deferred. If it is not possible

<sup>1</sup> See Incomes Data Report No. 35.

to implement it in a single step, then a planned programme such as was used in the Civil Service could be worked out. When fully applied an equal pay policy would tend to eliminate women who give little consideration to the demands of the job, but who are tolerated because they are cheap, and would greatly encourage the women who are able and anxious to tackle demanding work.

63. While better pay and prospects are the forms of encouragement most likely to achieve results, there are other important ways in which women could be helped to make a more effective contribution at work. The burden of the dual job is heavy. It can be relieved either by help on the domestic front or by reducing the demands at work.

64. A married woman who goes out to work can ease the weight of her domestic tasks either by employing someone to help her in her home or by using public services, or by both these means. If a woman is carrying a responsible full-time job, which often entails out-of-hours activities, she is in a position to pay an economic rate to attract someone to work for her at home. It can, however, be argued that the payment made by a wife who goes out to work to someone who replaces her in the home is a cost of working, and should be allowed to attract tax relief.

65. Assistance on the domestic front can also take the form of the widespread establishment of day nurseries and nursery schools. Such provision has been advocated by the ILO, but development in this country has been slow. So far as day nurseries are concerned, this is partly because in some quarters it is strongly argued that it is highly desirable for children under the age of two to be looked after by their own mothers in their own homes, and partly because the establishment and running of satisfactory day nurseries is very expensive and is not always justified economically in terms of the value of the work produced by the mothers released for employment. There is no doubt, however, that there is a demand for day nursery places which is not being met. A strong argument in their favour is the widespread growth of private child-minding arrangements. Some such schemes are very satisfactory, and the law requires registration and supervision, but there is no doubt that in a number of cases registration is evaded and supervision difficult to exercise. There have been horrifying cases of child neglect which have come to light only as the result of tragic accidents, and which have strengthened the case for day nursery provision. Legislation is currently being prepared to make the child-minding regulations more stringent, but it is hard to see how evasion can be stopped. Once again, if women's earnings were raised it would be possible for a charge for day nurseries to be made which would at any rate reduce, if not eliminate, the high cost of running them.

66. Whether or not the case is accepted for day nurseries to assist mothers with pre-school age children, the biggest problem encountered by the working mother of schoolchildren is adequate provision during school holidays. In other European countries a great deal more is done than in the United Kingdom to provide formal holiday centres and camps. Such facilities, if developed here, would do much to cut down the unavoidable absenteeism of the working mother who feels obliged to supervise her children when they are not

at school. Such absence from work involves, of course, loss of production and loss of earnings.

67. A further change which would greatly assist women at work involves not the provision of a new service but the breakdown of a long-established traditional practice. Regulations governing the hours at which shops may be opened were drawn up in order to protect shop workers, but legislation passed by an earlier generation to assist the workers at that time bears heavily on the women workers of today. It seems absurd that the time at which most women leave work is also the time at which shops shut. Women working full-time must in consequence either sacrifice their lunch-hour or do all their shopping at the weekend. With shift working an increasingly common practice in industry it is impossible to believe that measures cannot be devised to give adequate protection to shop workers while at the same time enabling working women to shop at leisure and with some pleasure when their own day's work is over. This is surely a matter on which unions representing shop workers and unions seeking the support of women working in factories and offices might well get together to devise an appropriate scheme.

68. For many women it is not possible to reduce domestic tasks to the point at which a full-time job is a practical proposition. For such women the most valuable form of assistance is the opportunity to work part-time. Many employers are reluctant to adjust working hours to suit married women and have normally done so only where the shortage of labour has given them no alternative. In teaching, nursing and retail distribution, where the lack of staff has created acute problems, many very ingenious arrangements have been worked out. In manufacturing industry, however, many employers have been unwilling to introduce part-time working, partly because of the high cost of idle plant and factory space. The percentage of women working thirty hours a week or less in manufacturing industry has risen slowly and in 1966 it reached only 17½ per cent of the total female working force. The difficulty in obtaining part-time work has no doubt been increased by the obligation laid on employers to pay full national insurance contributions for part-time employees, an additional tax which they have, not unnaturally, been unwilling to shoulder.

69. This brief account of the low level of rewards for women's work, of their restricted opportunities for training and promotion, of the inadequate social provision to assist the working wife, shows clearly that those who possess power in this country—in Government, among employers and in the trade unions—have never seriously considered the whole problem of women's employment. They have not examined it, either from the point of view of the national economy or from the angle of the needs and desires of the individual women concerned.

70. Trade unions have always seen the protection and assistance of workers as their primary responsibility, and particularly the protection and assistance of those least able to help themselves. The story of women's employment suggests that in this sphere unions have either tried and failed or they have simply never really tried. Today, trade unions are increasingly concerned not only with the interests of their own members but with the national weal. Economic growth, productivity and modernisation are seen

to be matters in which unions are directly involved. Half the population and one third of the country's labour force are women. It is this group above all others which has been denied opportunity and where the greatest potential for rapid advance can now be found.

#### D. CONCLUSIONS

71. From the facts available it is clear that the majority of women are being employed in both non-manual and manual work in industry on semi-skilled and unskilled jobs. This can be frustrating for individuals and is certainly wasteful in terms of national manpower resources.

72. The work on which women are employed is to a large extent in the jobs most likely to be modified or eliminated by technical change. It is necessary to prepare for the time when there will be far fewer routine jobs and when far more people will be needed in technical and skilled grades.

73. The customary arguments used to justify the refusal to train and promote women can all be supported to some extent, but in no case can they be accepted without qualification. In particular, a woman's working life can no longer be considered solely in terms of the years before her first child is born since an increasing number of women now plan to return to work and are returning after their last child goes to school. This second period is in fact the longer and more important from industry's point of view.

74. The argument that women care too little about their working life to organise effectively in trade unions must also be modified in view of the growth of unionisation among women since the Second World War. There is, on the other hand, little evidence of sustained support from trade unions in the attempt to improve women's conditions and prospects.

75. If women are to be used more effectively in the future opportunities at present denied to them must be made available. Conventional ideas of women's work in such occupations as draughtsmanship and in the engineering and electrical industries in particular must be reviewed and training facilities must be made available. The minute proportion of girls in any form of apprenticeship makes clear the need for change by both employers and trade unions if the necessary fundamental alterations in the use of womanpower are to take place. It is possible for the Training Boards set up under the Industrial Training Act to make a decisive advance in the training of women, but so far there is little evidence that this is taking place. Training opportunities for married women returning for their second phase of employment are as important, if not more important, than the training of school leavers.

76. Women need not only opportunity but also encouragement. The present level of women's average earnings in manual work is approximately half of men's average earnings. In future the great majority of women in employment will be married, and the rewards of working are not high enough to encourage married women to overcome the domestic problems that frequently interfere with sustained performance at work. With the support given at any rate in theory to the principle of equal pay in the Treaty of Rome, it will not be possible to continue to avoid facing this issue in this country. But even if it is finally accepted that equal pay implies "equal pay for work of equal

value" this will not really meet the needs of women if women continue to be employed almost exclusively in jobs of least value. Encouragement implies not only equal pay, but also access to better paid jobs.

77. Adjustments in social policy are also needed. For many women paid employment must be restricted to part-time work. There are too few part-time openings for women seeking them, and this position is made worse by the existing social insurance requirements. Policy with regard to day nurseries, nursery schools and holiday centres and camps for children needs to be reviewed, as do the requirements governing the closing time of shops.

78. The available information on the problems of women and work is very slight. In particular we need more detailed studies of the use being made of the vast army of women, often with good school records, in clerical and office work, and of the part played by women in trade unions.

79. The progress of women is undoubtedly hampered by public opinion. This involves social and psychological factors of considerable importance and more research and education in this field is needed. A change in public opinion is an essential condition if any real advance is to be made, but if such a change could be brought about the improvement in the range and quality of women's work might well be dramatic.

## CHANGING WAGE PAYMENT SYSTEMS

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### SUMMARY (BY THE RESEARCH DIRECTOR)<sup>2</sup>

1. This paper considers the reasons for the growing interest in alternative systems of wage payment in British industry. It provides a survey of the main advantages and disadvantages of five different methods of payment and ends with a discussion of the optimum characteristics of a wage payment system.

2. One factor giving rise to the present debate about payment systems is said to be the realisation on the part of management that *any* system tends to lose its stimulus and effectiveness after a time. Other factors of importance are the changing composition of the labour force, the advance of automation, increased cost consciousness and complaints about the inequities resulting from the operation of systems of payment by results. All these influences have combined to produce a "ferment" in wage payment systems and a readiness on the part of management and unions to look at existing methods more critically with a view to reforming them.

3. All wage systems contain two elements designed to stimulate achievement or allot rewards. These elements can be combined in many different ways but the paper is confined to a discussion of five major types. They are:

1. Output Incentives.
2. Cost Reduction Plans.
3. Profit Sharing.
4. Measured Day Work.
5. Longer Run Guarantees.

4. By *Output Incentives* are meant systems of piece work or payment by results. These are particularly appropriate where a high level of physical effort is required and it is difficult to supervise workers effectively. There is evidence that they can generate substantial motivation and that sometimes their introduction helps in obtaining acceptance for change. Yet, for all their advantages and functions, output incentives can result in serious problems. These include; inequitable relationships between earnings and effort among different groups, frequent use of allowances and "lieu rate"

<sup>1</sup>I would like to record my appreciation to E. Robert Livernash and George P. Shultz who have contributed immensely to my understanding of this area and to the Labor Management Institute of the American Arbitration Association for permission to use portions of my paper entitled "The Problem of Changing Methods of Wage Payment".

<sup>2</sup>Professor McKersie is not responsible for any short-comings or oversimplifications which may be present in this summary. W.M.

payments to compensate those excluded from the operation of such schemes and a high rate of "wage drift." In time high earnings may be obtained without high effort, as a result of shop floor pressure or mistakes in fixing piece rates. These factors can help to produce labour unrest and in several important industries the operation of inequitable and "demoralised" piece work systems have been said to be responsible for many unconstitutional strikes. Developments of this sort have induced many managements who operate incentive schemes to search for alternative methods of wage payment, especially as advancing technology undermines the need for physical effort on the part of workers.

5. *Cost reduction schemes* are plant wide bonus schemes based on the economisation of various cost factors—such as labour, materials, overheads etc. Such schemes are not yet widely used in Britain and those that are in operation have produced mixed results. Some have encouraged the better use of resources and produced substantial savings. Others were effective for a short time only and some have already been replaced as failures. The advantage of cost reduction plans is that they focus attention on co-operation and team work to reduce costs. Their limitations are that they cannot in themselves create such a willingness to co-operate or a management capable of exploiting this. It is also often difficult to establish reliable and equitable norms for calculating the bonus to be paid.

6. *Profit Sharing Schemes* are methods of payment by which workers receive, in addition to their wages, a share of the profits realised by the undertaking. They have not been all that popular in Britain and appear to be more frequently used in small and medium sized companies. In many cases they thrive in non-union plants. Their advantages include the fact that from management's viewpoint they allocate extra rewards only when they can be afforded. One of their disadvantages is that since profits are affected by a wide range of factors outside the worker's control he can be working more industriously without necessarily achieving any extra payment as a result of a profit sharing scheme. If this problem is solved by granting an accustomed bonus even when financial results fall below the required target profit sharing becomes nothing more than an automatic "hand-out." Another difference is that sometimes workers are unable to visualise the time spent required to relate extra effort to extra profits. There is also the fact that many plans do not pay sufficient money to make much impact on motivation.

7. *Measured Day Work* schemes are systems of payment by the hour or day in which individual performance is measured and evaluated against established production standards. In this system the main connection between money and effort is that over the long run the worker must maintain the specified performance or he loses his job. The system is most frequently used in large companies, where techniques of work measurement are understood and worker performance can be effectively monitored. The advantages of measured day work are that stable and equitable work and compensation arrangements can be developed and maintained. If they are introduced to replace output incentives there is an opportunity to simplify wage structures, remove complicated "lieu bonuses" and abolish anomalies of various

kinds. It is also claimed that afterwards change will be accepted more readily since in no case are the workers affected likely to lose high bonus earnings. The main disadvantage of the system is that it is not always possible to elicit acceptable levels of performance without the "pull" of payment by results. To accomplish this it is necessary to use sophisticated control techniques and employ a high calibre of supervision. Measured day work is also likely to be effective only if it is possible to measure all the operations involved in a job with reasonable accuracy. Even in this case the system does not necessarily eliminate or reduce industrial unrest. The fixing of equitable effort norms can be a fertile ground for disputes.

8. *Longer Run Guarantees* are systems where the time period of wage payment has been moved beyond the day or week and there are usually attempts to grant to wage earners some or all of the benefits enjoyed by salaried employees. Not enough is known about the growth of these systems in Britain but recent developments have usually been associated with moves towards so-called "staff status" for manual workers. These include longer periods of notice and payment for sickness. It is thought that such moves will remove the motivational drag caused by fear of losing one's job or income loss and that this will be a more effective way of increasing efficiency than instituting new incentives. One difficulty is, however, that management is usually not willing to introduce such guarantees where job security and earnings instability are really high. This is because in these circumstances the economic costs are least predictable. In practice longer run guarantees tend to arise among workers who already enjoy considerable security and stability in practice—e.g. in oil refineries or electricity supply. For this reason their effect on worker behaviour may be merely marginal.

9. In a concluding section it is argued that while output incentives exert the most direct motivational pull they also tend to induce workers to ignore organisational objectives—such as the need to avoid waste—which are not rewarded by the system of payment. They also encourage the development of devices aimed at stabilising earnings. Cost reduction and profit sharing seek to minimise these difficulties by rewarding a much wider range of objectives and by allocating rewards more infrequently. Measured day work and long run guarantees solve the variability problem by concentrating all compensation on base wages or salaries. Some schemes go further and guarantee a measure of job security.

10. These latter forms of payment may be classified as relatively "open ended" administrative systems, where management assumes responsibility for creating the right motivation among workers. In contrast output incentives and cost reduction plans represent a more "closed" system, where direct financial rewards are relied on to produce an adequate performance. In indirect or "open ended" systems management takes a longer view and is more willing to risk short term results. In direct or "closed" systems emphasis is placed on immediate results and on "*quid pro quo*" rather than the development of trust and responsibility. Ideally it would be desirable to design a system which possessed the best of both approaches, but this is not possible.

11. There is also the fact that in systems of the more direct type (i.e. output incentives and cost reduction) the principle of equity is honoured in

that equal effort *should* generate equal earnings ; under other systems (such as measured day work and longer run guarantees) primary emphasis is laid on economic viability—i.e. for a given level of compensation higher and higher performance levels are required to reflect the changing character of the business environment.

12. All these considerations combine to make it impossible to choose a wage payment system in the abstract. In each situation the system must be shaped in the light of local conditions. Nevertheless it is possible to provide a "check list" of factors that should influence the design of a wage payment system in different circumstances and plants. In many instances such an analysis could lead to the decision that an existing method of payment ought to be abandoned. One problem may then be to convince the unions concerned that a real problem exists. Another may be that certain groups of workers will not stand to gain as much from the proposed system as others. The presence of a crisis may help to induce a receptivity for change on both sides, but it is not unusual for such deliberations to span several years. Nevertheless, there are signs that both management and unions are becoming more prepared to countenance changing wage payments system both in this country and elsewhere.

## A. INTRODUCTION

13. The age-old question of how to elicit and reward worker effort has been receiving increasing attention in Britain in recent years. This paper aims to discuss why this is so, and to review the major alternative methods of wage payment open to management at the present time.<sup>1</sup>

14. Many examples can be cited which attest to the state of ferment, or what has been termed the "crisis" in wage payment methods. To begin with there is some evidence that systems based on output incentives have not been increasing in coverage in recent years and may even be declining. There is also the fact that within the last ten years a number of major firms have seen fit to abandon existing incentive schemes in favour of some form of time work—often based on work measurement.<sup>2</sup> In the car industry generally none of the new plants established has used output incentives and in one instance the parties opted for a plant-wide scheme of the cost reduction type—i.e., the Linwood Plan of Pressed Steel.<sup>3</sup> There has also been a growing interest in salary and status arrangements which in many respects are systems of wage payment.

15. There are many reasons for the examination of wages systems going on in Britain at the moment. One obvious factor is that an increasing number of managements are coming to realise that *any* system of wage payment loses some of its stimulus after a period of time. Thus many systems based on payment by result have lost their original "pull" and management is searching for new methods that will "freshen up" the works atmosphere. Then again some of the ferment stems from changes in technology and job duties (less control over output) as well as in the composition of the labour force (more off-production workers). A more important development has been the erosion of so called "discretionary rewards"—e.g. extra payments given at the discretion of first line supervision to workers of above average "merit". (The growth of standardised fringe benefits and a stronger emphasis on seniority as a basis for wage adjustment are two of the strongest factors which have combined to limit the scope for such discretionary "merit" payments in many plants.) Increased cost consciousness and the determination to obtain more from available resources have been two other factors of importance.

16. Then, too, the objectives of companies and unions have been changing, thereby shaping reward systems in new directions. While companies have remained interested in maximising output and minimising unit labour costs, increasingly they have tended to emphasise other objectives such as minimisation of material costs, co-ordination between direct and indirect work groups, organisational control and earnings equity. Similarly, on the unions'

<sup>1</sup> A special study was made of recent developments in Britain and unless otherwise stated all the examples quoted below are drawn from this country. Unfortunately, the terms on which information was gained do not always make it possible to cite the names of the individual companies concerned.

<sup>2</sup> See Wilfred Brown, *Piecemeal Abandoned* (London: Heinemann, 1962) for an account of such a development in the Glacier Metal Company.

<sup>3</sup> The plant in question is now part of the Rootes Group, which has also pioneered a movement away from traditional piece work systems.

side new emphases have emerged: work and income guarantees, job rights, and equalisation of pay and status benefits.

17. All of these forces have induced unions and companies to take a hard look at existing methods of wage payment and to enter discussions over worker productivity in a somewhat open frame of mind.

18. At this point in the discussion it should be noted that the term 'effort' is being used in its broadest context and is not limited to manual exertion. It must also be made clear that it is realised that the problem of eliciting the right kind of effort for a particular job encompasses much more than a mere reliance on the pull of money. Nevertheless, the focus of the paper is on the role of wage payment systems in solving this problem. For if there is one thing on which economists, psychologists and administrators agree it is that the specification of a task and the payment of rewards contingent upon its accomplishment can generate substantial motivation. Thus while wage payment methods represent only a part of the motivational arsenal available to management, they can be a very potent (and also a very destructive) administrative weapon. Notwithstanding the importance of other rewards, this paper confines itself to a discussion of wage payment methods.

19. All wage payment systems contain two elements which are related to *achievement* or *reward*. In some systems achievement is narrowly defined, as is true with payment by results systems which simply aim to induce greater output. In other systems, such as those involving a cost reduction bonus or profit sharing element, the achievement aimed at is more complex. Rewards for a given achievement can also vary. They may simply take the form of cash payments, as in the case of payment by results schemes, or it may be that there are certain status benefits associated with achievement—e.g. staff status and the payment of regular salary rather than irregular wages. Similarly the linkage of extra reward to extra achievement can be close—as with incentive schemes—or loose, as with certain forms of measured day work where better performance is coupled with promotion or job retention over a period of months or years. There are also many different ways in which the achievement and reward elements in a method of payment can be combined, so that the number of potential wage payment systems is large also. This paper is confined to an examination of five broad types which are the subject of discussion in British industry. They are: (i) *output incentives* (i.e. piecework and other traditional plans);<sup>1</sup> (ii) *cost reduction schemes* (such as the Linwood Plan); (iii) *profit sharing*; (iv) *measured day work*; and (v) *longer-run guarantees*. Each of these is in need of a brief definition before describing the forms they take in more detail.

(i) *Output incentives* are usually applied to individuals or small groups and focus attention on increasing the quantity of output, subject to such considerations as quality, wastage, and machine utilisation. The reward, which is usually in the form of cash, is paid shortly after accomplishment, usually on a daily or weekly basis.

(ii) *Cost reduction plans* are usually applied to plant wide groups and emphasise the economisation of various cost factors of production such as

<sup>1</sup> This approach has also been termed payment by results.

labour, material, and overhead. The rewards are generally paid on a monthly basis and in many instances the systems are an integral part of a larger system of union-management co-operation.

(iii) *Profit sharing* describes a method of payment by which employees receive "in partial remuneration of their labour and in addition to their wages, a share fixed beforehand, of the profits realised by the undertaking."<sup>1</sup>

(iv) Under *measured day work*, payment is usually made by the hour or day but the performance of workers is measured and evaluated against production standards. Historically, the term measured day work had a slightly different meaning—as used by some British companies it meant that the worker's base compensation was periodically adjusted according to his performance. Today, measured day work describes a system where management uses all of the industrial engineering techniques present in output incentives while at the same time making the production standards available to foreman and in varying degrees disclosing and enforcing these standards as conditions of employment. Compensation is determined by the base rates which are set by reference to various criteria such as: job evaluation, conditions in the local labour market, and wage negotiations.

(v) *Longer-run guarantees* describe an approach where the time period of wage payment has been moved beyond the day or the week and extended to the month or year. Some of the plans do not emphasise job security as much as they do increased status and the other perquisites of salaried employment.

20. The five systems which have been chosen for analysis range between primary reliance on direct financial inducements (output incentives) and the use of non-financial techniques for motivating employees (measured day-work and longer-run guarantees)—cost reduction and profit sharing fall somewhere in between.

21. The characteristics of these five approaches can best be summarised in terms of the two sides of a wage payment system; namely, measuring achievement and allocating rewards. (See the chart on the next page.)

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<sup>1</sup> This definition has been used by William Wallace in *Prescription for Partnership* (London: Pitman, 1959), p. 10.

**SYSTEMS FOR STIMULATING PRODUCTIVITY INCREASES AND ALLOCATING REWARDS**

<i>Measuring Achievement</i>	<i>Output Incentives</i>	<i>Cost Reduction</i>	<i>Profit Sharing</i>	<i>Measured Daywork</i>	<i>Longer Run Guarantees</i>
—Nature of achievement	Extra output	Reduction in labour costs and, in some cases, material costs	Increase in profits	Meeting production standards	N.A.
—Number of employees affected	Individual or small group	Plant-wide	Company-wide	Individual or small group	N.A.
—Determination of norm	Management initiative with right of union challenge	Joint determination	Market determination	Management initiative with right of union challenge (sometimes)	N.A.
<i>Allocating Rewards</i>					
—Form of reward	Extra cash (daily or weekly payment)	Extra cash (monthly payment)	Extra benefits (cash or, more often, deferred payments at yearly intervals)	N.A.	Employment guarantees and status benefits such as improved sick leave, freedom from time clocks, etc.

## B. ADVANTAGES AND DISADVANTAGES OF ALTERNATIVE WAGE PAYMENT SYSTEMS

22. The objectives of this section of the paper are to describe the way in which each of our five wage payment systems works in practice. After a review of the major characteristics of each method of payment an attempt is made to list its advantages and disadvantages.

### (i) *Output Incentives*

23. The term "output incentives" is used here to cover a wide range of systems. Some plans pay workers by a piece rate, and take-home pay is calculated on a "rise or fall" basis without any minimum guarantees. Other systems, which have been installed rather more frequently as of late, establish standard times for various operations and then pay workers for the "hours" represented by the tabulated output. Most of these latter plans reward the worker on a full participating basis, that is, if he doubles his output, he doubles his pay. However, in some plans the worker does not participate on a one-for-one basis, although the offsetting advantage is that he usually receives incentive pay at some point prior to achieving the standard set for him. Then, too, the more recently installed systems are based on time study or predetermined data, in contrast to the use of historical bench marks in most piecework systems.

24. Despite these many variations, output systems will be treated as one type since in common they are applied to individuals or small groups, focus attention on output, and pay rewards shortly after the tabulation of results.

25. On present figures output incentives cover about 43 per cent of the wage earners employed in manufacturing in Great Britain, or about 33 per cent of all workers employed in the economy.<sup>1</sup> Britain stands about midway between the heavy and the light users of incentives (Scandinavian countries, Russia and Eastern Europe with 50 to 70 per cent of manufacturing workers on incentives, and the United States with approximately 30 per cent of manufacturing workers on incentives).

26. In many industries the introduction of piece work accompanied the transition to mass production and the incorporation of the techniques of engineering economy and planning, better known as scientific management. It was also stimulated by periods of national mobilisation, especially during World War II, and during other periods of extended labour shortage. Because of the tight labour market conditions during these periods workers could respond to incentives in an enthusiastic manner without fear of jeopardising their employment. From the viewpoint of the employers incentives were a way of paying for this increased effort, thereby ensuring that necessary manpower was attracted and retained.

27. Incentives were thought to perform these functions during much of the post war period, enabling employers to compete for labour in the tight labour market which continued after 1945. (In this way they have contributed to the phenomenon of wage drift.) In recent years, however, as has

<sup>1</sup> Many of the statements in this section of the paper about the pattern of incentive average are based on: "Payment by Results", *Ministry of Labour Gazette*, Vol. 69, No. 9 (September, 1961), pp. 369-73.

been mentioned, attitudes towards the value of incentive schemes among British management have become more complex and varied. Some have continued to look toward the introduction of bonus schemes based on output in order to raise the level of worker effort. (For example between 1950 and 1960 ICI followed a programme of installing piece work wherever feasible.) Some have sought to raise effort by introducing work measurement techniques without combining them with output based incentives. (For example the Ford Motor Company.) Most notable of all, perhaps, a growing number of firms with experience of the advantages and disadvantages of incentive schemes have set about gaining union agreement for their removal and replacement. (An outstanding recent example is the National Coal Board, which has switched from their traditional reliance on piece work to nationally negotiated time rates.)

28. The factors which have tended to induce management to turn to incentive schemes can be usefully analysed in terms of their *economic*, *technological*, and *organisational* characteristics. On economic grounds output incentives have tended to be employed more frequently where labour costs represented a significant factor in the maintenance of a competitive cost structure. Thus in industries such as textiles, clothing and footwear incentives have been used to help standardise unit labour costs as well as to make it easier for firms to calculate their costs. Of course there are other industries where labour costs are a significant item, but where they are not regarded as a competitive weapon, and here incentives are less likely to be employed on these grounds—e.g. in the lumber and wood processing industry. Conversely, there are a few industries where labour costs are not large—such as shipbuilding—yet where they represent an important and controllable item which is thought to be important in the maintenance of competitiveness; here incentives are widely used.

29. On technological grounds incentives tend to be more frequently employed where the plant is characterised by a low state of technology. Contrastingly, where automation makes it difficult for the worker to exert control over production, incentives are rarely employed, e.g. oil refining. They are also used in bottleneck situations where it is necessary to emphasise the maximum utilisation of expensive equipment. The extent of worker accomplishment may only involve increasing output from 98 to 100 per cent, but this improvement can have great marginal value for the firm.

30. The most serious challenge to the continued use of output incentives is that posed by new technology. As many writers have asked: what is the role of output incentives when the worker is only a monitor and is not in a position to increase output? While the point is a good one and has persuaded many companies away from output incentives, there is still room for some type of traditional incentive system in many mechanised plants. Several companies in the US have adopted the approach of paying premium earnings for keeping expensive equipment at capacity and in some situations this emphasis on equipment utilisation may be an effective basis for a reward system.

31. On organisational grounds output incentives tend to be used more frequently as plant size increases. This relationship tends to be true for

most countries, although for the US at the upper end of the size range (i.e. plants with more than 1,000 employees) incentives are used less frequently. The reason for less use of incentive schemes among small plants is probably that these establishments lack the industrial engineering staff to introduce and operate incentives, and feel that they are small enough to be able to motivate their employees adequately without the need for a pay incentive through personal contact. But, as plant size increases, it is felt that it is technically feasible and administratively necessary to rely on the "pull" of an incentive scheme.

32. It is arguable, however, that beyond a certain size there is less need for output incentives since now management should possess control techniques that elicit effort without reliance on money incentives. Also, it is possible that in the larger plants technology has advanced to the stage where incentives are not as feasible or necessary to sustain physical effort.

33. Output incentives are also used where it is difficult to elicit effort through skilful supervision. In operations where the difference between satisfactory and poor performance is difficult to specify in terms of input procedures, incentives are required to guarantee acceptable results. For instance in steel, where output incentives focus attention on results and eliminate or minimise the supervisory task of watching all of the activities of workers.

34. Output incentives are also used where the worker cannot be directly supervised. For instance, incentives have been employed for such operations as selling and harvesting. In these situations where the employee is on his own, he cannot be motivated with traditional supervisory techniques. An interesting example of this need for control either through direct supervision or monetary inducements can be cited from the history of the coal industry. As Hobsbawm has written: "We have examples of deep pits being sunk on time-wages for the first few hundred feet, while supervision was possible, but on piece-rates thereafter."<sup>1</sup>

35. Output incentives may also be felt to be needed where other motivational devices are not available (promotion, merit awards and pensions). For instance they tend to be used more frequently where the turnover rate is higher and where women are employed.

36. *Advantages.*—Output incentives can generate substantial motivation. Thus some local authorities contacted, who paid refuse collectors, transport drivers and other outside workers on bonus schemes, reported increases of 50 per cent in the output of these workers in some cases. Because of this "pull" it was said that an establishment could utilise fewer foremen and discipline was less necessary.

37. There was also some evidence that incentives had induced workers to accept change more readily than would otherwise be the case—at least if the base rates for the revised positions could be amicably settled. It should be added, however, that part of this success is explained by the fact that earnings for the higher output were calculated on the basis of the old rates.

<sup>1</sup> See E. J. Hobsbawm, "Custom, Wages, and Work Load in 19th Century Industry", in *Essays in Labour History*, ed. Asa Briggs and John Saville (London: Macmillan and Company, Ltd., 1960), p. 125.

The arrangement was thus an expensive one for management, although substantial gains were produced for both sides as a result of the introduction of a new technology.<sup>1</sup>

38. Similarly, one company contacted reported that the introduction of an incentive scheme in its power plants enabled it to reduce manpower and to increase work loads—again because the changes made it possible for the operators to increase their earnings. Thus, one important advantage of an incentive system is its flexibility in allocating extra rewards for increased productivity.

39. A related advantage is that the flexibility inherent in incentives enables management to meet the exigencies of the local labour market. The industrial engineer may be horrified at the practice of loosening rates, but it does have the advantage of giving money only to those groups which are particularly difficult to attract and retain.<sup>2</sup>

40. A final advantage of incentives, particularly piecework systems, is the simplicity and administrative convenience of having one price for employees doing broadly the same kind of work. The piecework system overrides the distinction between the wage structure (pay for responsibility, education and skill) and the wage payment method (rewards according to the amount of output). In other words, the price for the job embodies both of these evaluations and enables management to pay workers according to "objective results". This point of view is well expressed in a treatise written over a century ago: "Large amounts of manufacturing, agricultural, and other labor are performed by the piece, and wherever it can be adopted, this is the preferable mode of hiring work people. Their strength, skill and assiduity are widely different. And when they are hired by time, it is often impracticable and is always a difficult, troublesome, and insidious task to arrange them in classes and adjust the wages of each according to their real deserts."<sup>3</sup>

41. *Disadvantages*—For all of their advantages and functions, output incentives contain many problems. Within the past 10 years considerable documentation has been presented about the shortcomings of incentives. Wilfred Brown has talked about the experience of Glacier Metals and has

<sup>1</sup> Whether incentives bring out the best in management or only serve as a crutch is, of course, a hotly debated item. The report on the docks by the Devlin Committee (Cmnd. 2734 HMSO, London, 1965) may be said to show that in that industry piece work enabled management to remain lax, since the penalty for poor planning fell on the workers and not on management. On the other hand one large company contacted reported that incentives enabled them to plan better, and adopt a more constructive approach to motivating craftsmen. Similarly, management representatives in one of the large food chains reported that incentives forced their foremen to plan and measure work more effectively.

The truth seems to be that weak management may be able to get out the work if they use incentives, but only for a time, and over the long run the "pull" of the system will tend to deteriorate. For with piecework considerable dissension and low morale will occur if management does not do its job. Consequently management may feel just as stimulated to manage effectively as under day work (where management feels great pressure to plan and organise the work since there will be no results if management does not do its job).

<sup>2</sup> Some local authorities contacted reported that it has been much easier to attract and retain required labour after the institution of piecework systems. For example, some gas boards have found it easier to retain people since installing incentives several years ago.

<sup>3</sup> J. R. McCulloch, *A Treatise on the Circumstances which Determine the Rate of Wages and the Conditions of the Labouring Classes Including an Inquiry into the Influence of Combinations* (2nd edition; London: G. Routledge and Company, 1854), p. 70.

generalised to the larger industrial scene in Great Britain.<sup>1</sup> In the United States the monumental study sponsored by the Brookings Institution<sup>2</sup> used the term "demoralisation" to describe the state of high earnings, low effort, inequitable relationships between effort and earnings, and frequent use of allowance payments.

42. In Britain the most common form of grievance arising out of the operation of many incentive schemes concerns the complaints of those workers within a plant who remain on time work. For in many cases the take home pay of incentive workers is far in excess of time workers, who may work alongside them servicing the production line. To help meet these complaints management in industries like engineering, or newsprint, have introduced various extra payments for time workers whose output is not easily measured; but these do not often result in earnings as high as those of the piece workers and grievances remain.

43. The upward drift of incentive earnings in situations of this sort can be attributed to several factors. It may be partly due to the possession of above average bargaining power among certain crucial piece work groups. Through pressure such groups may be able to convince management of the need to loosen certain rates, and management may even participate willingly—especially if labour is difficult to attract and retain and basic rates are subject to some type of national control. But equally involved is what G. Wood has termed the "learning effect":<sup>3</sup> whereby incentive workers steadily accumulate skill and short-cuts—these efficiencies can be used to generate higher earnings or additional leisure.

44. High earnings would not be disturbing if they were generated through extra effort and extra results. However, in many situations the earnings represent a "windfall" or a "special deal" that certain employees enjoy. A prime example of the low effort that often accompanies the use of incentives comes from a report of the National Incomes Commission:

"It was stated by a Scottish building contractor, called as a witness on behalf of the Scottish plumbing employers and speaking from his own experience, that the norms are fixed at far too low a level. He instanced the case of bricklayers whose average daily output of bricklaying before the war was 800 to 1,000 bricks. Today, he said, the norm was 400 bricks only and an arrangement with the bricklayer for the payment of bonus on the balance of his capacity was necessary."<sup>4</sup>

45. The fact that certain employees can generate handsome returns means that they may take home more pay than their supervisors. For example, in a large ware-housing firm contacted by the writer in the London area many pieceworkers are said to earn considerably more than lower members of management. In this case figures indicate that the

<sup>1</sup> See Wilfred Brown, *Piecework Abandoned*, op. cit.

<sup>2</sup> S. H. Slichter, J. J. Healy and E. R. Livernash, *The Impact of Collective Bargaining on Management* (Washington, D.C.: Brookings Institution, 1960).

<sup>3</sup> See G. Wood, "Payment by Results Systems: National Report for the United Kingdom", *International Management Seminar on Forms of Wage and Salary Payment for High Productivity* (Paris: OECD, September, 1967).

<sup>4</sup> "Report on the Scottish Plumbers' and the Scottish Builders' Agreements of 1962", NIC (April, 1963), Cmnd. 1994, p. 42.

median yearly earnings of the manual workers are £1,200 with approximately 20 per cent of the men earning between £1,500 and £2,000. In the same firm, lower level management receive base compensation of £1,100 and are only able to reach the range of £1,500 to £1,600 by working considerable overtime.

46. The disparities in compensation apply to horizontal relationships as well. Quite often people doing comparable work take home drastically different amounts of money. For example, in the case of a large auto firm in the Midlands, storemen, internal drivers, and external drivers all work at the same rate of base pay. Similarly, toolmakers, electricians, millwrights, and skilled inspectors work at the same base rate. Yet within these two bands take-home pay varies as much as 50 per cent. Similarly, in railroad repair shops some craft workers generate earnings at the target level of 27·5 per cent over the standard, while others reach levels of 100 to 200 per cent.<sup>1</sup>

47. Another characteristic of demoralised incentives is the frequent use of allowance payments. In the car industry the subject of allowances has become a crucial item in the day-to-day life of stewards and industrial engineers. Few formal guidelines exist and the allocation of money for special situations is in the hands of management—which means that solutions tend to be “bargained out” on a case-by-case basis.

48. Even where special payments are handled more professionally, as has been the case in the coal industry, elaborate contractual language is required and the parties find it necessary to spend considerable amounts of energy rationalising the conditions under which special earnings can be granted.

49. It is not surprising then that the operation of a piecework system gives rise to many disputes and evidence of labour displeasure, even where it also results in high earnings for certain groups. In the Devlin report dealing with the docks, for example, it was pointed out that in 1963 there were 660 meetings of the union arbitration committees in London, mostly relating to differences over piecework rates. Moreover, similar evidence concerning the disruptive effects of piecework disputes in another important sector of the industry is contained in Professor Turner's recent study *Labour Relations in the Motor Industry*.<sup>2</sup> Professor Turner and his colleagues regard unstable earnings patterns, partly produced by piecework, as a major cause of strikes in the major car firms. In this view they are supported by several of the reports published by Sir Jack Scamp, as Chairman of the Motor Industry Joint Labour Council. Moreover, Sir Jack has had this to say about the need for a change in wage payment methods of many firms:

“There is no doubt that the present complex structure, with, in most cases, the additional complications which derive from piecework systems, leaves much to be desired and there is need for most of the companies to take a serious look at their methods of payment. In particular, any review of the wage structure demands a careful and

<sup>1</sup> See the National Board for Prices and Incomes' Report No. 8, pp. 30-32.

<sup>2</sup> H. A. Turner, G. Clack and G. Roberts, Allen and Unwin, 1967.

comprehensive approach rather than the continued application of the present piecemeal and often inflationary solutions.<sup>11</sup>

50. The big danger inherent in any incentive system is that an orientation slowly develops of controlling earnings and abuses rather than inducing people to work more effectively. People learn how to achieve earnings without working, that is, by qualifying for special payment provisions, avoiding promotions to jobs which are not lucrative, and engaging in slowdowns during the "testing" of new incentive rates. Once this happens, the parties then have to turn their attention to policing the system and to controlling the unwanted by-products of the system.

51. But quite apart from their effect on earnings and disputes many companies feel that the overall plant atmosphere can be adversely affected by output incentives. This view was well expressed by one management representative giving evidence to the National Incomes Commission on the position in the building industry :

"I would like the whole thing of bonusing to be wiped out and a realistic value put on the man's trade and everybody to be employed on the same conditions. We would then lose this unrest, and the real unrest in trying to squeeze another penny on to some bonus, payment by results being the ruination of the relationship between the employer and the operative in the building industry."<sup>12</sup>

52. A type of life cycle often operates on the effectiveness of incentives. When they are first installed they usually work well; then the inexorable loosening process begins: management makes concessions rather than lose output and the employees start to manipulate the situation—at this point management must either revise or abandon the system. Usually the answer is an overhaul—a new product or technology may produce the occasion, or management may just bargain their way out of a bad situation, often with the help of consultants.

53. Many output incentives are not abandoned but revised and retained precisely because the presence of incentives has created such a poor labour relations atmosphere that the work can only be gotten out through the pull of direct rewards. The irony is that where incentives have been used they are still needed, and where they have not been used they are not needed. In effect management tends to reap the results of a type of self-fulfilling prophecy. The traditional managerial view of human nature, namely, that

<sup>11</sup> Report of the Chairman of the Motor Industry Joint Labour Council, HMSO, November, 1966, paragraph 30.

<sup>12</sup> NIC, *op. cit.*, p. 42. On the other hand, some people have argued that in many instances output incentives have improved the labour relations atmosphere of the plant. The fact that each man is "in business for himself" may be appealing especially if the employees place a high value on freedom and individual recognition; and the system also provides an opportunity for each worker to shape the employment relationship to his liking—the process of adjusting rates and awarding special allowances may seem contentious, but it is nevertheless an effective means for resolving the larger conflict between management and labour. In this sense, the incentive system must be seen as a device that efficiently facilitates the accommodation of conflicting interests which are inherent in the employment relationship. M. Bolle de Bal and other sociologists from Belgium and France have emphasized this dimension in their writings. See M. Bolle de Bal, "Theory and Practice of Plant Bonus Systems", *International Management Seminar on Forms of Wage and Salary Payment for High Productivity* (Paris: OECD, September, 1967).

people need a direct pull or push, leads them to install output incentives. Workers respond by seeking to protect themselves from unwanted fluctuations in take-home pay and by securing ways of beating the system. As a result tension develops between management, the workers and their union representatives. At this point management is forced to continue the use of output incentives in order to make the best of a bad situation or to placate the rank and file determined to maintain their accustomed earnings. What started out as a management device to produce additional output and to control labour costs evolves into a collective bargaining arrangement for preserving accustomed earnings.

54. Yet the decision as to whether to abandon or to retain output incentives cannot be made without reference to historical and institutional factors. Today in the face of modern management and sophisticated control systems, the question<sup>1</sup> can be asked whether output systems represent an anachronism, but the answer has to be qualified. Where a company is starting up a new plant the decision can be made in the light of current conditions, and it may be desirable to avoid output incentives. However, where the plant has operated for a long time on output incentives, the decision to modernise has to take into account the fact that output incentives have become an integral part of the plant culture and that supervisory styles and employee work habits are not easily changed.

55. Despite the fact that the incentive system may be demoralised, it may still serve many functions: foremen can achieve acceptable results without a lot of exhortation; management can allow the earnings of different groups to drift as labour market conditions change; and the workers and stewards can achieve their special desires within a complex network of incentive provisions.<sup>2</sup>

#### (ii) Cost Reduction Plans

56. This approach has received considerable attention both in the United States and Great Britain. In the United States it received its main impetus from the work of Joseph Scanlon. More recently, the Kaiser Steel Corporation and the United Steelworkers have established the Long Range Sharing Plan. In Great Britain the Scanlon plan has been used in several situations, the most publicised being the installation at Pressed Steel in Linwood. In addition, there have been at least a score of installations of the American Rucker Plan, referred to as Share of Production Plan.

<sup>1</sup> If the choice were between output incentives and "uncontrolled" daywork, then most companies would choose the first, and correctly so. However, the alternative is some form of controlled or total group system. In other words, the choice is between systems each possessing a degree of "pull" or "push". Consequently, one has to be cautious about statements made on behalf of output incentives which cite such evidence as: "We opened a plant and operated it for two years on daywork; and when we installed piecework, output jumped 50 per cent."

Companies are beginning to recognize that the increase in output that usually accompanies the introduction of piecework is not due to the extra pull of a system but to the better planning and control of the operation by management. In his study of the printing industry Wells reported: "When we discussed the effect of the bonus scheme on productivity the production manager declared that 75 per cent of the increased output was due to the effect of the scheme on management." F. A. Wells, *Productivity in a Printing Firm* (London: Gerald Duckworth and Co., Ltd., 1958), p. 87.

<sup>2</sup> For an elaboration of this point see Tom Lupton, *On the Shop Floor* (Oxford: Pergamon, 1963).

57. The interest in the cost reduction approach does not stem from any extensive use of this concept—indeed, there probably are no more than 30 or 40 installations in Great Britain; rather, the attention stems from its pioneering quality, with its emphasis on union-management co-operation and on organisation-wide effort to improve operating effectiveness.

58. Cost reduction plans have tended to be used as a solution to crises<sup>1</sup> and there is also some indication that they have been used more frequently in companies where shareholdings are relatively narrowly distributed. A family-held business will be less hesitant to enter into an arrangement wherein employees can earn bonus money during a period when the firm may be showing a net loss.

59. The various cost reduction plans used in Great Britain have produced mixed results. Some have worked well and continue to produce dramatic results; others work well for a while and then deteriorate; and some never get under way. Because of the relative scarcity of firms with a long-term experience of such plans in Britain it is necessary to make use of American data in an attempt to assess their advantages and disadvantages. In the Kaiser Plan thus far, more than half of the savings have come from better utilization of raw materials. Most of the other savings have come from the introduction of labour saving equipment. The fact that the Plan has not produced substantial extra effort is not surprising since neither side viewed the plan as a speed-up device. The union estimates that if all the "loose" crew arrangements were tightened, the contribution to the bonus pool would be only 6 or 7 cents per hour. Herein lies an important point; namely, total group schemes do not make their mark by inducing people to abandon favourable working conditions but rather in encouraging them to utilise materials more effectively, to co-ordinate joint efforts, and to accept technological change more readily.

60. *Advantages.*—The cost reduction approach contains a number of important advantages. It focuses attention on costs rather than just on output. In many industries, output is limited by technology; hence this approach appropriately directs attention to the areas of the business where achievement is possible. The Kaiser Plan also focuses attention on reducing non-labour costs—this emphasis encourages employees to improve efficiency without working themselves out of employment.

61. The plans also emphasise co-ordination and teamwork not only on the factory floor, but between all elements of the organisation. Significantly, the Scanlon Plan includes indirect as well as direct employees, and the Kaiser Plan includes office employees. The Linwood Plan of Pressed Steel covers everyone up to and including the top manager. In this respect the plans are recognising important labour force trends.

<sup>1</sup>"Bridge Upholstery, tired of the constant bartering about piecework prices, took the opportunity to introduce the Scanlon plan after it had experienced a fire and was gradually building up production again in 1961." [Anthony Barry, "New Look at the Productivity Bonus," *Personnel Magazine* (November, 1965)]

The crisis may not involve economic extremes—it may be caused by the demoralization of output incentives or by the deterioration of the labour-management relationship. The common characteristic is that both sides are looking for a new departure—they have come to the end of the road and are searching for a new approach to problems of labour efficiency and union relations.

62. For many companies the main advantage of a cost production plan is in the improved atmosphere which often accompanies the move to the total group approach. Even in the case of Kaiser, where the results have been dramatic, the greatest gain will come from the willingness on the part of the work force to accept new methods and technology, rather than from any extra effort or output.

63. While the cost production approach often produces good labour relations, the reverse is just as true: the plan will not work without a sound union-management relationship. The approach is based on teamwork and the concept that the union and the energies which the union can tap should be used in improving the operating effectiveness of the business as well as in voicing complaints. On management's part, the approach calls for great competence and a willingness to confront workers with the areas of potential achievement. Companies often find that this type of plan puts management on the spot and workers readily criticise foremen for weak decisions. Some supervisors crumble under the pressure while others view it as an opportunity to create joint accomplishment and they strive to harness the energy of the work group, which now realises it has a stake in how well management performs its job.

64. At Linwood the cost reduction plan has not gone far enough in emphasising the common stake that all workers, both direct and indirect, have in improving operating effectiveness. In designing the Plan the parties agreed to give the production workers a relatively higher reward than craft workers, in the proportion of 60/40. While this arrangement may have been necessary in terms of historical factors—the assumption exists in many plants that it is only the assembly-line workers who exert themselves—the establishment of a privileged element may create only divisiveness and eventually be self-defeating.

65. Another point relevant to the Linwood experience is that a cost reduction plan should not be used by management to do a job that management can do on its own. It should be used to get the "extra" which can be realised only through total group co-operation. For example, the Linwood Plan was installed at the start-up of production, when many problems existed. To be specific, the plan was installed when labour costs were running at the level of 50 per cent of total costs, whereas the objective was to bring labour costs down to approximately 30 per cent of total costs. The trouble with this approach is that as the ratio is revised downwards employees experience the feeling that they are doing management's job for no permanent gain. In general, management should not install a cost reduction plan in a situation of loose practices; it may find itself paying bonuses for the elimination of practices which could have been "bought out" by management, or could have been removed through technological change, methods realignment, or other actions of management.

66. *Disadvantages*.—The cost reduction approach contains other weaknesses. It ties a company to a historical norm which may not reflect the competitive conditions of the future. Thus, it is possible to pay rewards on a continuing basis for improvements that should be viewed as "one-shot".

67. Establishing a reliable and equitable norm represents, perhaps, the most challenging aspect of the cost reduction approach. Problems are involved with the other wage payment methods but they are not as severe. With regard to output incentives, the norm applies only to the individual or the small group, and hence the damage is not too great should a distortion develop.

68. One method for minimising the possibility of error is to build into the norm adjustments for anticipated variations in underlying conditions, e.g. volume changes, product-mix variations, price changes, length of production runs, and overtime conditions—all of these can be explicitly incorporated into the standard. In the case of Pressed Steel, the plan was too simple and did not adjust for volume effects. What happened at Linwood was that after 3 months of good bonus payments the demand for car bodies fell off—the Hillman Imp was not then doing well. Since the norm was based on the level of unit labour cost accompanying normal volume, it was impossible for the workers to generate any bonuses at lower levels of volume. As a result, no further bonuses were earned during the remainder of the first year and during most of the second year of the plan.

69. The dilemma in designing the norm is to keep it simple and at the same time to have it reflect the operating exigencies. Consider the experience of one company that erred too far in the direction of complexity. "Even though the committee understood the workings of the ratio, and an outside accountant was used, there was general suspicion of the bonus calculations in the firm. This was increased by making allowances for product-mix, which made the system fairer but more difficult to grasp. This so sapped moral and lessened effort that production steadily declined and Bridge had to abandon the scheme in mid-1962."<sup>1</sup>

70. The cost reduction approach also raises the challenging task of group motivation—how to stimulate the individual worker in a large plant to identify with the plan. When workers shift to a total group incentive plan it is not uncommon for their effort to drop, at least until they become sensitive to other motivational forces.

71. One of the key problems to be overcome in making a total group plan work is the attitude that some workers are penalising others through their lack of motivation. Quite naturally, some groups possess more control over results than others; thus, it is natural for some workers to feel that they are contributing more than they are receiving. Some of this dissension has developed at Kaiser; the workers in the finishing areas can make a great difference in operating results while those in the primary areas are less able to contribute. There has also been a cleavage between workers remaining on incentive and those who have shifted over to the new plan. As a result not everyone is pulling in the same direction. In fact, feelings have become so intense that the plan has been recently revised to place the determination of bonuses on a departmental basis. While the revision has the advantage of coupling extra money to extra effort on a more localised basis, it is also a step backwards and a partial return to the former piecework

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<sup>1</sup> Barry, *op. cit.*

system—which everyone agrees was a far worse system under which to operate than the “not-so-successful” Long Range Sharing Plan.

72. One way of overcoming the parochialism inherent in a total group plan is to establish a network of committees and communication arrangements. At Pressed Steel, these committees were not established at the outset but have been instituted more recently in an attempt to particularise the meaning of the plan for all work groups. At Kaiser a special group has been established to cultivate these group forces; under the direction of a plan administrator a newsletter has been developed which features individuals and groups that have demonstrated extra achievement. A programme of spotlighting problems and departmental targets has also been inaugurated.

### (iii) *Profit Improvement Plans*

73. In the US this approach has received a lot of attention and today at least one in every ten companies uses some form of profit sharing.<sup>1</sup> The growth has been spurred by the favourable income tax status afforded monies deferred under profit sharing and by the generally good business conditions which have prevailed during the post-war period.

74. Contrastingly, profit sharing has not been particularly popular in recent years in Britain. While many companies continue to use various forms of co-partnership, the concept has not spread and the number of companies employing this method probably does not exceed 5 per cent. For this reason it will again be necessary to draw heavily on experience outside Britain to assess the advantages and disadvantages of the profit sharing approach. In an atmosphere of social planning and possible nationalisation, the profit motive is not a popular concept and it has been difficult for companies to interest employees and unions in this approach. Their reluctance, no doubt, stems from a distrust of profit figures and also from a feeling that profits are not a true measure of economic performance and hence their use as a basis for determining rewards would be unjust.

75. Where workers feel confident about the economic system, then they may be more willing to accept forms of profit sharing as a system of enterprise motivation. In support of this it is interesting to note that several Communist countries are moving towards profit sharing in the redesign of wage payment methods at the plant level. The plant-wide emphasis is seen as a means for the elimination of many of the problems inherent in output and cost reduction incentives. Moreover, by focusing the attention of all workers on profits, it is hoped the result will be improved quality and acceptability of finished products. To make this system effective, prices are being established and factories are being urged to sign contracts with distributors. A factory will be motivated to increase profits and to expand business, consistent with the consumers' acceptance of the product and the maintenance of acceptable cost levels.

<sup>1</sup> It must be recognised that the vast majority of plans in the US are of the deferred type. In 1960, deferred plans accounted for 24,000 of the installations and cash for 10,000. Many people do not view a deferred profit sharing plan as a wage payment system but only as a convenient system for financing fringe benefits.

76. Profit sharing appears to be used more frequently in small to medium-sized companies. In such establishments the worker is in a better position to observe the relationship between extra effort and extra profit. As the plant size becomes larger, it becomes more difficult to motivate the worker with a total group system.

77. Quite often, profit sharing is used by management to achieve and perpetuate a family relationship (which is consistent with the earlier point about it being used in smaller companies). For many companies, profit sharing represents a way of life or almost a religion about how to make the worker feel a part of the free enterprise system. Thus, it is not surprising that William Wallace in his survey of profit sharing companies in Britain found that employers weighted improved motivation and greater harmony as more important results than greater economy and better quality, almost by a margin of two to one.<sup>1</sup>

78. This philosophical basis for profit sharing is well illustrated by a development taking place on the Continent, especially in France, wherein the workers are guaranteed a share of retained earnings through legislation. The philosophy behind the program is that since management declares a dividend to physical equipment in the form of retained earnings, so it should also declare a dividend to the workers in the form of a share of the profits. These monies are typically invested in the stock of the company in order to enable the workers to participate fully in the interests of the enterprise.

79. By virtue of the fact that profit sharing is used by management to emphasise a "team spirit", unions are often not involved—either the plant is unorganised or, if a union is present, the plan is administered unilaterally by management. Many unions are happy to remain aloof from profit sharing, however, since they object to the way in which profit sharing makes the worker dependent upon the success of the individual enterprise.

80. There is some evidence, at least outside Britain, that more unions are showing an interest in the profit sharing concept—in part because they have come to realise that many workers remain attached to a company for their full working careers and might as well share in its fortunes. There is also the fact that profit sharing represents a more acceptable way of achieving additional earnings in the face of national incomes policies. Indeed, unlike most other wage improvements, profit sharing only pays a reward if money is present in the form of retained earnings.

81. For this very reason the United Automobile Workers (of the US) dropped its long standing opposition to profit sharing in 1958 as a way of seeking higher wages during an inflationary period. While it was not successful initially, in 1962 it signed a profit sharing agreement with American Motors and it continues to seek such an arrangement with the other companies in the industry.

82. *Advantages*—Profit sharing possesses some distinct advantages. Aside from the improved atmosphere, alluded to earlier, it meets the "test of the market". With most other wage payment methods it is possible for a firm to be paying extra rewards, without the firm surviving in its industry. Profit sharing allocates additional rewards only when they can be afforded.

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<sup>1</sup> William Wallace, *op. cit.*, p. 36.

83. Profit sharing also can achieve improved teamwork and co-operation within an organisation. Since people are directly affected by the profits of the business, they are educated about the economic facts of life. This economic education, of course, only takes place when management takes the initiative to communicate with the workers about a wide range of problems affecting the business. Some large American companies like Sears, Roebuck and Motorola have been quite successful in particularising the meaning of economic events for each individual employee. In this sense the profit sharing system becomes a vehicle for talking about a wide range of subjects within the organisation.

84. *Disadvantages*—Profit sharing contains several major weaknesses. Since profits are influenced by a wide range of forces, many of which are beyond control of people in the organisation, people can be working more industriously and yet receiving few if any additional rewards. This possible inequitable relationship between effort input and money output can weaken motivation and the effectiveness of the system. A wage payment method does not have to provide a dependable and reliable relationship between extra effort and extra rewards; indeed, if the relationship is so standardised, then no wage payment system is needed; but, on the other hand, some connection must be present so that people are stimulated to apply themselves.

85. Some companies attempt to meet this limitation of profit sharing by granting the accustomed rewards, even though the financial results are not up to target, on the assumption that the organisation exerted itself as much as possible. While such an act of generosity may eliminate some of the inequity, it does not eliminate the basic weakness in profit sharing. And it may create an atmosphere where profit sharing is nothing more than an automatic reward. Eventually, the reward takes on the semblance of a fringe benefit, and then it can no longer be considered a part of the motivational system of management but has become part of the overhead.

86. A second major weakness is that even if the environment is one in which extra efforts produce extra rewards, it is not always the case that workers can visualise the relationship or the time span that is involved. In most companies profits are reckoned yearly and consequently a considerable time gap takes place between when the extra efforts were expended and when the extra rewards were received. Psychologists have found that a willingness to defer gratification varies directly with the morale of the individuals involved. Thus, where the work atmosphere is poor, employees will not be willing to exert themselves for the "distant" prospect of extra money.

87. The experience of American Motors provides some evidence on this point. In 1965, three years after the inception of the plan, the workers through their union demanded a revision of the plan so that money which was being deferred into stock would be paid out in cash. (Fortunately, most of the plans in Great Britain pay out cash, at least on a yearly basis, and some of the difficulties posed by delayed gratification may not be present.)

88. A third weakness of profit sharing is that most plans do not pay enough money to make them motivationally exciting. In his study of profit

sharing in Great Britain, Wallace noted that the average yield was no more than 7 per cent. Estimates for the United States place the comparable figure at no more than 10 per cent. Such a small return can only be viewed as disbursement of profits and not as a motivational system.

89. For all of these reasons, many profit sharing plans have had to be abandoned. In his study Wallace noted that 66 per cent of the plans were abandoned at some point after inception. Many of the terminations take place during poor business conditions since the plans do not generate profits and fall into disfavour. And some companies that have tried profit sharing have found it necessary to revert back to more direct forms of incentive payment. For example, at a new plant of the Oxford University Press, management initially tried profit sharing but abandoned it in favour of piecework in order to fulfil production targets.<sup>1</sup>

#### (iv) *Measured Daywork*

90. Under measured daywork the worker receives time wages, yet management establishes and, in varying degrees, discloses and enforces production standards.

91. The term "measured daywork" covers many variations within the general theme of hourly wage payments accompanied by the use of performance standards. In some companies a clear separation exists between the effort and money subjects. Effort is prescribed by production standards, and rewards by wage negotiations (with reference to the traditional criteria: area rates, ability to pay, and cost of living). In this approach the main connection between effort and money is that over the long run the worker must maintain the desired pace or he loses his job. Within this approach management possesses considerable latitude in the use of production standards—some companies release them and make them literally a condition of employment; other companies use them only for management information, and the emphasis is more on encouraging the worker to give a "fair day's application" rather than holding him accountable for particular results.

92. In other instances the connection between effort and earnings is much more direct. In the system used at Philips each employee works under a contract that enables him over a long-term period to generate more take-home pay by fulfilling the performance standards. This approach envisages the periodic adjustment of a worker's pay in accordance with his performance.

93. More recently, considerable interest has been shown in a form of measured daywork that makes the effort side as explicit as the money side. Presumably agreement on effort and money levels would take place during contract negotiations. Professor Tom Lupton has advocated this approach and the Vehicle Builders' Union has shown interest in the idea as part of their proposal to abandon piecework in the automobile industry.

94. Measured daywork is used most frequently in large companies where worker performance can be monitored through control techniques and sophisticated administration. Measured daywork is also used more readily for mechanised operations where employees are required to work at the pace of the conveyor line or to work within the cycle of automatic machinery.

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<sup>1</sup> *Financial Times*, May 5, 1966.

The main reason given for the changeover to measured daywork at Vauxhall was the inappropriateness of output incentives in the presence of advanced technology: "I am convinced that over the next few years in a highly integrated and highly mechanised industry such as ours [piecework] will no longer produce equitable results either for the company or for the man directly involved."<sup>1</sup>

95. While there is little statistical proof, many people feel that this form of wage payment has been growing. Considerable publicity was given (in 1956) to the abandonment of piecework in favour of straight time by Vauxhall Motors. Many people heralded this as the start of a major trend in British industry. It is true that several other companies have abandoned piecework such as Glacier Metals and Pet Foods, and more recently it has been reported that the tobacco industry is dropping incentives in favour of measured daywork. Moreover, in the automobile industry there has been talk from several quarters (in particular, the Vehicle Builders) about abandoning incentives. But most of the increased use of measured daywork has taken place in plants that have traditionally paid time wages. For example, none of the new plants in the automobile industry has been established on daywork. For the most part these plants are located in Wales, Scotland, and Northern Ireland.

96. Thus, it would appear that a major trend towards measured daywork is not under way, at least for the present. The future growth of measured daywork will only partly stem from a change-over from output incentives and may stem more from the introduction of the system in situations that have traditionally paid time wages.

97. *Advantages*—The most important advantage of measured daywork is that it avoids the difficulties inherent in output incentives. As mentioned earlier, the fault with many incentive systems is that they deteriorate. Since most incentive systems are difficult to abandon, the firm which operates on measured daywork has not locked itself into a difficult situation.

98. Many companies have commented that the greatest gain from daywork (after having operated on piecework incentives) is that it "freshens up" the plant atmosphere. Complicated wage structures can be eliminated; lieu bonuses (paid to indirect workers to bring them into line with incentive workers) can be consolidated; and in general the work and compensation arrangements can be simplified greatly under daywork.

99. It is also claimed for measured daywork that it allows a firm to introduce change with minimum resistance. Since the worker continues to receive his accustomed pay, he may not express the same resistance to new methods and production standards as an incentive worker. Indeed, companies operating on measured daywork feel that what they gain by being able to install new methods and equipment more than offsets what they may lose in a slower work pace.

100. The freedom to alter work methods and accompanying production standards under measured daywork is said to provide management with considerable operating flexibility. The union's main concern, in a daywork

<sup>1</sup> Reginald Pearson, "From Group Bonus to Straight Time Pay", *Journal of Industrial Economics*, Vol. 8, No. 2 (March 1960), p. 116.

plant, is that the standards meet the test of fairness and normal effort and not that certain procedures are followed in revising standards.

101. *Disadvantages*—Companies using measured daywork, however, have encountered some tough operating problems. In order to elicit acceptable performance it is essential for management to use control techniques and to employ the highest calibre supervision.<sup>1</sup> Under daywork the motivation has to be provided by management since it does not emanate from the wage payment system itself. Companies that have abandoned piecework incentives and shifted over to daywork have found that it takes several years to retrain the organisation, particularly the supervisory group.<sup>2</sup>

102. Measured daywork can be effective only if the measurement part of the system has been extended to all operations and with reasonable accuracy. This the British Motor Corporation found it difficult to elicit acceptable performance in some of its new plants because it was unable to extend work measurement to more than 50 per cent of the operations. It also found it difficult to recruit and train industrial engineers, and the process of rationalising the operations has gone very slowly.

103. Even with competent management and good control procedures, it is still a challenging task to achieve satisfactory labour efficiency. Some companies have found it necessary to put the onus on the individual employee. The approach of Philips of having workers sign an individual contract can be seen in this light—it attempts to put the spotlight on each worker; and it is interesting to note that approximately 8 per cent of the workers have not fulfilled their bargains at Philips. This kind of direct accounting can place great pressure on all workers to perform effectively.

104. In some of the automobile companies, such as Ford, suspensions and discharges have been used for people not performing up to standards. Following the lead of the parent company, the Dagenham plant takes a fairly direct approach to eliciting acceptable performance. Production standards are established by management and in most cases released to the workers. On the other hand, Vauxhall places more emphasis on achieving acceptable effort application rather than on immediate results. It tries not to disclose production standards, although the workers because of their experience with piecework incentives often ask to have the time values specified.

105. Of course workers on measured daywork do not dispute about relative earnings levels, in the way that workers do who are employed on piecework, but this does not mean that they have no grievances. Effort arrangements provide a fertile ground for disputes, and individuals and groups who consider that they are expected to work relatively harder than others

<sup>1</sup> A good discussion of the managerial style required in measured daywork can be found in the account of how the Fawley refinery was constructed without the use of piecework (the traditional method of payment in the construction industry). See E. M. Hugh-Jones, "Industrial Productivity: The Lessons of Fawley", *Journal of Industrial Economics* (July, 1955), p. 173.

<sup>2</sup> "It might, in fact, be suggested that a whole generation of supervisors had grown up on the manufacturing side, accustomed to the fact that, to some extent, at least, the task of securing output was partly done for them by the operation of a Group Bonus system. Accordingly, it became necessary to convene special conferences and arrange comprehensive and thoroughgoing training programs to insure that all supervisors had a complete grasp of the new situation and would display the kind of leadership necessary to maintain output and morale and encourage up-to-date attitudes in regard to new methods, increase in mechanization, and so on." (Pearson, *op. cit.*, p. 120).

for the same or comparable pay can still complain. By their nature production standards for individuals or groups have to be determined and administered locally, and they can provide shop stewards with an opportunity to prove their worth to their members. The tactics of protesting about production standards can get quite involved, and can result in strikes. Daywork plants can encounter considerable industrial relations trouble and, in some cases, more trouble than incentive plants.

106. There are, however, differences in the way disputes are processed and dealt with which arise out of the differences in the payment system. Other things being equal there is a tendency for the daywork dispute to come to the crisis stage very quickly, if only because the workers have no other redress than to have the condition eliminated. By contrast, in incentive plants, workers can agree to allow work to continue on the conditions desired by management while a dispute over the rate to be paid is processed, if they know that should they establish a case for higher pay they will obtain retroactive compensation under a revised rate. Daywork disputes are also apt to be tougher because employees are able to engage in slowdown tactics without affecting their earnings. By comparison incentive workers may be able to sacrifice their short term earnings for a period of time, but at some point the pressure builds up for them to exert incentive effort.

(v) *Longer Run Guarantees*

107. Not enough is known about the growth of longer run guarantees in British industry and the treatment of the subject in this paper is necessarily comparatively short. However, something can be said about the objectives of those who introduce long run guarantees and their limitations.

108. The category itself is a rather loose one and contains a number of sub-types. In varying degrees, however, they all seek to eliminate the strong disincentives created by workers' fears about job losses by giving those affected certain guarantees. These may relate to continuity of employment or earnings stability. Historically there has probably been some lengthening of the time period during which work incomes and job security have been guaranteed, but we are concerned here with the recent movement towards longer run guarantees in undertakings such as ICI, Electricity Supply and Mobil Oil. Such developments have usually been associated with moves towards so called "staff status" for manual workers—i.e. the granting to manual workers of the same privileges in respect of employment or earnings guarantees as clerical workers. These normally include longer periods of notice and the institution of payment for short periods of sickness. Where manual workers are given such "staff status" it is not normally intended that they shall be entirely immune from the threats of periodic lay off or possible redundancy.

109. Several factors have contributed to the growth of employment guarantees. To begin with there has been the pressure exerted by workers through their unions to have employment regularised. Workers who are purchasing homes and participating fully in the consumer credit boom place great value on stable incomes.

110. Management has also seen an advantage in guaranteeing employment (where economically feasible) as a way of removing the motivational drag

produced by the fear of job loss. Eliminating disincentives may be thought to be more effective in increasing efficiency than instituting new incentives.

111. In many cases management has also been anxious to recognise the increased importance of skilled workers by affording them the same employment arrangements as other employees. It has struck many companies, particularly in the process industries, as somewhat incongruous that their skilled maintenance and operating people should receive income on an hourly basis, while relatively unskilled clerical people enjoy salary status. Wilfred Brown speaks from this perspective in the following statement:

"Why do we pay operators and craftsmen in industry on an hourly basis, and junior clerical staff on a weekly basis? Is not the underlying reason that operators cannot be trusted to turn out the work regularly and so they are to be stimulated by the thought—any absence, less pay? The argument is clearly extremely thin today when those who work in offices and workshops are increasingly drawn from the same social strata."<sup>1</sup>

112. Similarly, the feeling is growing that the solution to the compensation problem for skilled tradesmen lies in the direction of staff status. Many companies have passed through the phase of putting craftsmen on piecework incentives in order to maintain or to improve relativities between them and operating personnel. The new phase which appears to be emerging is one of recognising the skills and importance of craftsmen through staff status.

113. Quite significantly, in one steel company it was the craftsmen themselves who asked for staff status:

"Today almost all staff grades are organised and represented by one trade union or another. Many examples can be quoted, such as foremen, technicians, quality control, time keepers, chemists—and many other grades of workers cannot in any way be classed any differently from the craft worker in the relationship to the industry. Nor can it be claimed that they possess any greater skills, indeed in most cases their contribution of know-how within the industry does not compare with modern craft workers. We would add: is it right that after 20 or 25 years, craft workers within this industry receive fewer entitlements than people with less skill and with very little service?

"Although a craftsman particularly in this modern age of technical achievement has no direct control over steel production, our wages depend to a large extent on the amount of steel rolled at the Hot Mill, and almost a third of our total wage is a variable amount of tonnage bonus. We believe that people who are directly concerned with the production line should have a wage scale based on the production level and output of that plant. This being the case we must accept that on top production certain operators although certainly not worth more than the craftsman will inevitably be in receipt of a higher average wage, due to the incentive system rather than individual skills, or efforts.

"In brief, you must decide whether the craftsman with all modern skills should belong to the incentive bonus group such as production workers, receiving by virtue of skill the same wage at least as the top paid production worker, or whether they should receive a permanent

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<sup>1</sup> Brown, *Piecework Abandoned*, *op. cit.*, p. 102.

wage somewhat less than top production workers but containing all the same benefits as staff workers. Needless to say, you cannot expect us, nor are we prepared, to stay in the middle not receiving the best from either of the two groups mentioned, and as stated our choice of movement for everyone's benefit is to staff conditions."<sup>1</sup>

114. To some extent the strong interest currently being shown by trade union leaders in the idea of staff status is inspired by tactical considerations; granting staff status may not be very costly in direct economic terms, and hence there is some chance of the demand being accepted fairly readily by management. Also, union leaders are searching for new ideas and the staff status concept has considerable psychological appeal. Considerations of this kind are often advanced by those who express scepticism as to how much staff status really means to the average worker. It is said that, if no more money or job security is involved in practice, then what is proposed is surely a change in form rather than substance. There is also the fact that some professional engineers—and other groups who already enjoy staff status—have recently been asking their companies for the right to overtime pay; a privilege now enjoyed by most manual workers. If companies saw the granting of staff status to manual workers as a means of re-introducing the notion of flexible hours without extra pay to these groups then one may well doubt how much it would be desired.

115. One difficulty in deciding how far the granting of staff status does have any lasting effect on employee motivation and performance is that it is hard to discern a clear pattern for the companies who have introduced it recently in Britain. There is also the fact that in many cases—e.g. oil refining and electricity supply—they consist of trades where regularity of employment is already the norm. The difficulty here may be that the manual worker in these industries already holds much the same outlook as a salaried worker, even though his formal method of wage payment is still by the hour. The problem is, of course, that it is just those industries where stability is already relatively high that staff status can be most easily to justify on an economic basis. Conversely where instability is most developed, say in ship-building or construction, the consequences of introducing staff status are most difficult to calculate and for this reason least likely to be accepted by management.<sup>2</sup>

116. This does not mean that nothing can ever be done to introduce longer run guarantees in such trades. An example from the United States is of relevance here. Fifteen years ago the refining of sugar in the United States was a seasonal process. Large numbers of workers were hired when the sugar crop became available and then let go at the end of the processing. Gradually the sugar industry has regularised employment and in 1951 the companies and the United Packinghouse Workers of America agreed upon a yearly guarantee of 1,600 hours, and at each negotiation the guarantee has been increased, until in 1964 it stood at 2,040 hours.

<sup>1</sup> Portion of a letter written by a craft council to a large steel company in South Wales.

<sup>2</sup> Here it is worth noting that several shipbuilding concerns have recently announced yearly employment guarantees. Quite significantly, these firms tend to be those constructing ships that do not entail much finishing work (which tends to be the side of the business where employment fluctuates).

117. It is important to note that while union pressure played some role in bringing about the employment guarantee in sugar, the change would not have been made unless the companies saw some advantages in altering the basis of wage payment. For one thing, technology has been changing and it has become more efficient to spread the refining process throughout the year in order to keep expensive equipment utilised. For another, the fixed costs of additional manning (pension and layoff benefits) relative to variable wage costs have increased sufficiently for it to be cheaper to keep an employee on the payroll rather than to practise casual employment.

118. In general, then, it appears that the following circumstances would facilitate the use of some type of employment guarantee: stable product demand, fixed manning, high capital-labour ratio, a few large companies or a cohesive employers' association, and a strong union.

119. In those situations where employment has been traditionally stable, the institution of a salary plan will have little value—unless it is coupled with some real changes in status. In other words, some additional rewards must be involved: sick pay may be liberalised, other fringe benefits improved, time clocks eliminated, etc. However, companies are hesitant to take these steps for fear of disturbing internal relativities. White-collar workers may demand compensating improvements or decide to affiliate with a union.

120. Another point to be made is that where long run guarantees are introduced they increase the already high employment costs faced by many companies. As a result, a company with such an arrangement may think twice before adding workers. It may prefer to offer large amounts of overtime to existing workers before opening the ranks to new employees. In effect, life on the inside becomes better, but it is also harder to gain admittance to the "club". The distinction between the "haves" and the "have nots" becomes stronger. This cleavage also exists on the inside to some extent. Most of the salary arrangements carry eligibility requirements of anything from several months to several years.

121. Finally, the employment guarantee can also suffer from operational difficulties. For example, the architects of the Kaiser Plan felt it necessary to fashion an employment guarantee wherein no one would be laid off because of technological change or because of labour saving stemming from the Long Range Sharing Plan. Since it was not possible to guarantee employment against a drop in steel demand, a scheme had to be developed to identify the reason for an employee's being displaced. The resulting system did not work well and it has been revised. However, the parties still appear dissatisfied with this aspect of the Plan.

### C. CONCLUSIONS

122. So far this paper has reviewed the major alternative methods of wage payment open to management and provided some account of their main attractions and drawbacks. This section aims to draw together what has gone before and establish a number of conclusions.

#### (i) *Motivational and Organisational Effectiveness*

123. The essence and thrust of each system can best be characterised in motivational terms. Output incentives exert the most pull since they provide the individual with the prospect of direct rewards at frequent intervals.

In other words, they possess all of the characteristics of what psychologists would call a powerful reward system.<sup>1</sup>

124. However, the strong stimulus of output incentives also creates problems : workers ignore organisational objectives other than those specified in the system and they also attempt to eliminate fluctuations in their earnings by changing the system. As a result contingencies are handled by reference to past practice, written agreements and informal understandings.<sup>2</sup>

125. Cost reduction and profit sharing seek to minimise these difficulties by incorporating a wide range of targets into the design of the plan and by allocating rewards more infrequently, thereby dampening major variations in bonus pay.

126. Measured daywork and long-run guarantees solve the pay variability problem by concentrating all compensation in the base wages or salaries. In addition, some of these schemes go further and guarantee job security.

127. In the final analysis, these latter forms of wage payment represent open-ended<sup>3</sup> administrative systems rather than closely-specified motivational systems. Management assumes the responsibility for instilling in workers the motivation to perform rather than relying upon the stimulus of financial rewards. In these indirect systems management takes a long-run view and is more willing to risk short-run results for long-run improvement. Contrastingly, in the direct systems, management concerns itself with short-run results, and places primary emphasis on "*quid pro quos*" rather than on trust and responsibility.

128. This strategy, however, opens up the possibility of one side taking advantage of the other side. Since, under this approach, behaviour and results are more indeterminate and are left to the dynamics of the system and the process of labour-management co-operation, it is possible for one side to default. This is just the fear underlying many companies' resistance to status agreements or to the payment of money in advance of concrete results. "Our manual employees would be absent all the time or abuse the sick pay plan if we put them on salary status." Or: "You can't trust our workers to make any changes once they have received the extra money."

<sup>1</sup> In terms of reward and punishment theory, the best system is one that pays individuals tangible benefits (cash) shortly after the achievement of target performance (daily tabulation) for the accomplishment of tasks that are easily understood and directly under the control of the subject (output).

<sup>2</sup> In Eastern Europe the authorities have attempted to achieve this synthesis by allowing foremen to distribute 50 per cent of the piecework bonuses, to deal with such contingencies as inexperienced workers, start-up of new equipment, and special production problems. The advantage of this approach is that the system remains simple but special circumstances are handled at the discretion of supervision.

Such an arrangement would not be acceptable in the West where workers and their union representatives demand formalisation of the language and procedures for handling contingencies. As the administrative rules become more complex, the system becomes less motivationally effective.

<sup>3</sup> The manner in which achievement and rewards are specified may be said to determine whether the wage payment system operates as a closed- or open-ended system. If the nature of accomplishment is highly specified and the rewards closely coupled with these results, as is the case with output incentives, then the system will tend to be closed. On the other hand, if the nature of achievement is not highly defined, as is true in cost reduction and profit sharing plans, and rewards are not closely related to this achievement and are perhaps even paid in advance, as they are in salary arrangements, then the system can be classified as open-ended.

129. In a sense, a given wage payment method represents a trade-off between considerations of a motivational nature and those of an administrative nature. Ideally it would be desirable to design a system which possessed the best of both approaches. However, there is no perfect solution to this dilemma: namely, from a motivational point of view the system should be related to the conditions faced by the individual but from an administrative point of view the system should be related to other considerations, of a social and administrative nature. The table below attempts to portray this conflict.

*Optimum Characteristics of the Wage Payment System When Viewed from Two Perspectives*

	<i>Direct Motivational System</i>	<i>Administrative System</i>
Nature of Achievement	... Those areas under the control of the employee	Those areas of economic importance to the company
Size of Employee Groups	... Individual	Plant or Company
Nature of rewards	... Cash in moderate amounts at frequent intervals	Fringe benefits in small amounts over longer time periods

130. While generally it is difficult to design a system which is both motivationally and organisationally effective, such an integration is not an impossibility. For example, certain workers may respond much more enthusiastically to an encompassing scheme like cost reduction than to a simple output scheme. An open-ended system like cost reduction, which focuses attention on the tough problems of the business, may stimulate worker involvement much more than piecework systems which only encompass the elements of labour effectiveness that are completely under the worker's control. If achievement can be realised too easily and dependably, then the situation may lose its interest for many people—and from a practical point of view, management may be able to realise results in such a standardised situation without resort to direct incentives.

131. A second variable affecting the prospects for synthesis is the size of the employee group. If the plant or unit being administered is small, it may be possible to devise a complex norm and still have the employees motivated by the system because they are close enough to the situation to understand the design of the norm. For motivational purposes the norm, generally speaking, should be simple, and especially so if the plant is large—which is another way of saying that in these circumstances the wage payment method probably should be of an output or rudimentary cost reduction type. However, management might lean in the direction of complexity and an emphasis on administrative considerations, if through good communication it is able to involve the employees in the intricacies of the system.

(ii) *The Relationship Between Effort and Earnings*

132. Perhaps the most fundamental difference between systems of the direct motivational type (output incentives and cost reduction) and those of the indirect administrative type (measured daywork and longer-run guarantees) is in the manner by which effort and earnings are related. Under the first type the principle of *equity* is honoured—which means that equal

effort should generate equal earnings as between workers and overtime. Under the second type the principle of *economic viability* is emphasised—which means that for a given level of compensation higher and higher performance levels may be required to reflect the changing character of the business environment. In a sense one approach emphasises the “ethical ought” while the other approach emphasises the “economic must.”

133. *Equity Considerations.* If one assumes that the concept of equity in a wage payment system implies that equal inputs should generate equal rewards the system should be sufficiently decentralised to ensure that each employee or at least each group receives earnings in relation to effort expended. Such an arrangement appears to make good psychological as well as industrial relations sense. Output incentives can be said to represent the system which meets this test most directly and by design; by contrast plant wide schemes, such as cost reduction, aim to keep rewards more uniform although different effort contributions to the joint achievement are likely to be present.

134. But it may be argued that the principle of equity also means more than the uniformity of the efforts-earnings exchange as between individuals. It also requires the stability of this relationship over time, i.e. a type of parity.<sup>1</sup> If effort requirements increase, then earnings should be adjusted accordingly.

135. By this test many output incentive systems may not be satisfactory. For instance, to the extent that a piecework system involves a periodic tightening up, wherein extra effort is required for the same or lower earnings, then stability of the ratio has not been maintained. Similarly, a suggestion system which only pays one-shot rewards and asks the recipients (not to mention other workers) to work harder or at least to work according to different methods for an indefinite period of time does not appear to be appropriate on this count.

136. *Economic Considerations.* Many companies favour non-financial systems precisely because they desire to retain the freedom to revise performance standards at will. In effect, they say to the workers: “We will pay you good wages and remove financial uncertainty from your minds if you will allow us a free hand in specifying the conditions of employment.”

137. These companies hesitate to allocate extra earnings for extra performance both out of the belief that once achieved the target performance is much more easily attained in the future and out of the fear that it will be difficult to revise effort and earnings standards once they are specified. Such a viewpoint can be supported by learning theory and by the character of industrial administration. In many situations the key task of the organisation is coping with the new standard (new technology, new specifications, and the like). Steady-state conditions are not typical and if they are present they present little challenge.

<sup>1</sup>The concept of effort-earnings parity has appeared in the writings of H. Behrend and W. Baldamus. See H. Behrend, “The Effort Bargain”, *Industrial and Labor Relations Review*, Vol. 10 (July, 1959); and W. Baldamus, *Efficiency and Effort* (London: Tavistock, 1961).

138. Thus, if the key fact of life is instigating and administering change, then management needs a free hand in focusing attention on the accomplishment of change. In such circumstances a financial reward system may not be feasible (since conditions are not sufficiently stabilised) or dysfunctional (since it would heighten resistance to change).

139. *Revision of the Norm.* In actual practice the linkage of pay and performance is not as stable with respect to output incentives and cost reduction or as flexible with respect to measured daywork and longer-run guarantees as has been suggested. This balancing of extremes can be understood by examining how the norm is revised under the different systems.

140. While management is free (theoretically) to revise performance standards at will under the indirect systems, typically it relates such changes to new technology, changed materials and the like. In other words, the revision process is done periodically and on as objective a basis as possible.

141. With respect to the more direct systems, the revision of norms must also be accomplished periodically—to maintain the soundness of the system for both management and labour.

142. If the system is never revised, workers lose interest since extra earnings are not reliably related to extra effort. On the other hand, if the system is frequently revised people may never settle down to work within the system, but exist in a state of perpetual anticipation of the next revision.

143. Output incentives present the sternest challenge and also require management to achieve a balance between unilateral and joint decision making. Usually the initiative for an incentive revision comes from management, but unless the employees and their representatives participate the revision will not be very meaningful. No wage payment system is scientifically accurate and a good measure of labour participation in establishing the new effort and earnings relationships is desirable.

144. The Scanlon Plan provides for a periodic review of the norm, usually by an outsider. The Kaiser Plan formula has been revised twice, again with the help of outsiders.

145. Profit sharing tends to adjust itself as the exigencies change—and this represents a strong advantage of this approach—although the method by which “profits” are calculated or the form in which the monies are distributed may come under attack.

### (iii) *The Choice of an Optimum System*

146. Choosing an optimum system<sup>1</sup> is something that cannot be done in the abstract. In each situation the wage payment system must be shaped in the light of local conditions. The key elements of achievement and rewards, as well as the process of collective bargaining, are involved in

<sup>1</sup> It should be noted that the optimum may be a combination of systems rather than a single system. While some of the systems are mutually exclusive, e.g., output incentives and measured daywork, most of the other systems can be used in various combinations. Total group plans (e.g. cost reduction and profit sharing) may be used on top of output incentives or measured daywork.

every case, but the appropriate design of these factors cannot be specified generally. Nevertheless, certain general questions need to be answered before an optimum system can be chosen.

147. The following check list is suggestive of the many factors that influence the design of a wage payment method.

148. *Measuring Achievement.* Is the performance of the organisation mainly within the control of management, or are the workers also in the position to make important contributions?

What is the scope for reducing labour costs, conserving materials, or managing capital more effectively?

What form does *labour* achievement take: working longer and harder, adjusting crew sizes and work methods, accepting and adapting to technological change, solving problems, working effectively with other elements of the organisation, or avoiding disruptions such as strikes and slowdowns?

Is achievement best measured by reduced costs, increased profits, or some other measure?

Is the achieving unit the individual, small group, blue-collar personnel, all plant personnel, or the total company?

149. *Allocating Rewards.* Is it feasible to allocate rewards at regular and frequent intervals, or is it preferable to allocate them in discrete amounts over longer time periods?

Can the rewards be paid directly in cash, or must they be deferred in the form of accrued benefits?

How large should be the potential rewards?<sup>1</sup>

150. *Other Considerations.* What are the workers' preferences as between more money and more leisure; additional earnings and job security; and direct and indirect benefits?

What is the attitude of the union to the subject of pay and productivity?

Is management more interested in short-run output or long-run improvement?

<sup>1</sup> This question is often overlooked or inadequately answered. Usually the response is to the effect that the size of the bonus must be left to the working of the system. Such a response misses the point that the size of the expected rewards exerts a direct impact on the intensity of motivation, and that considerable latitude exists in the design of a system for structuring the size of rewards.

In the case of output incentives the proposition is quite explicit: "Incentive workers should be able to earn 25 per cent to 35 per cent more than dayworkers." For the other systems the expectation is more vague. Profit sharing typically yields about 10 per cent and cost reduction plans about 10 per cent to 20 per cent. No doubt the lower returns of these total group systems stem from a hesitancy on the part of companies to add to their labour costs any more than necessary and also from an uncertainty as to whether the rewards under any total group system have been completely "earned" by the workers.

Nevertheless, by keeping potential pay-offs low, management has weakened the effectiveness of the system at the outset. If it takes the prospect of an extra 25 per cent to 35 per cent to motivate individual workers on an output incentive plan, it could be argued that it would take as much or more to motivate workers in large group plans. Rewards may not need to reach 35 per cent, but they probably have to approach the region of 20 per cent; as illustrated by the recent revision of the formula at Kaiser. During the first year of the Long Range Sharing Plan bonuses ranged in the neighbourhood of 20 per cent. However, during the second year the overall payout dropped to the vicinity of 10 per cent as more and more of the bonus pool was applied to the wage and fringe benefit reserve (this reserve provides the monies to match the improvements in wages and fringes occurring in the rest of the steel industry). As a result interest in the plan dropped and as of the present time one major revision has been executed and another is in the offing to increase the level of bonus payments.

151. *Social Setting.* Even though a particular system may seem appropriate from a theoretical point of view, it may function quite poorly in practice. Just as often the reverse can be true—for instance, output incentives which in many situations appear constrained by advanced technology may stimulate workers to operate equipment at its capacity. The additional variable affecting the actual performance of a particular system is the social setting. The attitudes of the work force, the tone of the union-management relationship, the style of supervision—these exert a strong influence on the functioning of any wage payment system. It is only with a recognition of the social dynamics of the work place that apparently conflicting results can be explained : e.g. the calculating approach of incentive workers in the Midlands, versus the enthusiasm of certain groups under profit sharing who apparently work hardest when the profit prospects are most dismal.

152. Certainly, the social dynamics play a more important part in total group plans than in individual incentives and for this reason the results are less predictable. Some Scanlon plan installations have "taken off" while others have never "left the ground". Contrastingly, most output incentives work reasonably well at the outset, with the divergence in results coming over time as some installations retain their integrity and others deteriorate.

#### (iv) *Removal of the Wage Payment System*

153. In many instances an analysis of the foregoing type could lead to a decision to abandon the existing wage payment method. The parties then face the difficult assignment of making a basic change in their "style of life". Several factors appear to be important in a successful shift to a new system of wage payment. First, negotiations are characterised more by problem-solving and less by pressure. While in most situations management takes the initiative (it has seen the problem and convinced the union that something has to be done), beyond this too much unilateral study of the problem by management may make the joint exploration process more difficult. To this end, committees, staff experts and neutrals may be helpful in creating the dialogue and the innovations which are necessary for a successful changeover experience. Some companies use consulting engineers with success, although they usually remain in the background.

154. One task which may sometimes emerge in bringing about a fundamental change in wage payment methods is the need to convince the union that a real problem exists. The union leadership may view management's move as an attempt to tighten up without compensation. Union leaders also often receive considerable pressure from many sides when a new plan is in the offing. Certain groups of employees may oppose the change since they do not stand to benefit as much as other employees. Other employers may expect similar "concessions" from the union, and the leader may find himself in an awkward pattern-setting arrangement.

155. The presence of a crisis helps to create credibility for management's concern and to speed progress towards a settlement. Short of some commanding reason for change, the only solution to these difficulties is sufficient discussion to dispel doubts and to correct genuine inequities. It is not unusual for the deliberations to cover a span of several years.

156. Considerable time is needed within each organisation to achieve a consensus of opinion about the new wage payment system. If the change-over is one of abandoning output incentives there is bound to be considerable difference of opinion within management. Usually line people desire to remain on output incentives (assuming that labour costs are not prohibitively high) in order to insure that the work will be gotten "out of the door." Contrastingly, industrial relations people usually prefer some form of daywork in order to eliminate the contentious discussions over earnings. If the abandonment takes place too precipitously, management may approach the transaction without full agreement.

157. Financial arrangements for the workers under the new system should be as good as those under the old system. This may mean guaranteeing average earnings and certainly means guaranteeing employment to those who would be displaced by the new system. (Vauxhall, for example, bought its way out of piecework by guaranteeing average earnings). Another technique involves lump-sum payments to employees who would lose money under the change.

158. A change of any kind, and particularly one involving motivation and money, presents a real challenge to supervisors. One of the reasons that companies with obviously demoralised incentive systems hesitate to abandon them is that they are unsure of their foremen's ability to motivate employees without the direct pull of individual incentives. Thus, a considerable break-in period may be required before the new system operates effectively. During this "learning period" it may be necessary to retrain supervisors, to hold meetings with employees, and to consult frequently with the unions involved.<sup>1</sup>

#### (v) Final Remarks

159. Clearly, considerable ferment exists today in the area of wage payment methods. The task of eliciting and rewarding labour efficiency remains the same, but it is taking place in an altered environment.

160. Some of the changes are quite evident: they have been alluded to in this paper and discussed extensively elsewhere; for example, the impact of new technology with less opportunity for increasing output; the growth of control systems enabling management quickly and accurately to monitor worker performance; the growing importance of the indirect segment of the work force with the need to motivate this group in concert with other groups in the organisation; and the increased importance of social forces, both those channelled through the structure of the small group and those through the union institution. These trends are well known. Less recognised are certain other trends in public policy, union practice, and management thinking.

161. Public policy and social objectives can have important, although somewhat unexpected, effects on wage payment systems. Under the aegis of productivity bargaining, output incentives are being installed in some plants

<sup>1</sup> For a good discussion of the social dynamics involved in the alteration of a wage payment system see Elliott Jacques, A. K. Rice, J. M. M. Hill, "The Social and Psychological Impact of a Change in Method of Wage Payment", *Human Relations*, Vol. 4, No. 4 (1951).

for the first time. These schemes enable the workers to earn more money and are acceptable in terms of an incomes policy since they pinpoint the improvement and make the *quid pro quo* between effort and earnings very explicit. On the other hand, profit sharing is not growing since the profit motive is not too respectable and most unions are suspicious about the accuracy of profit figures.

162. Union practice towards wage payment is also becoming more pragmatic. It is rare nowadays for any union or group of union members to object to a particular payment system on any absolute or general grounds; for the most part particular features of a system are objected to and an attempt is made to persuade management to change these as the price of union acceptance. Unions are concentrating more of their energies on safeguarding worker interests as they see them within a given or proposed system. It is true that there is still some objection to time study and other work measurement techniques among particular groups but many unions take a relatively sophisticated approach to these developments and have developed expertise in their application.

163. To the extent that unions are expressing a willingness to become involved in the dynamics of a wage payment method, then total group plans such as cost reduction, which can succeed only with the direct participation of all concerned, may be more feasible alternatives.

164. Managerial philosophy is also changing—in the direction of eliminating unnecessary distinctions within the organisation. In some instances this takes the form of placing all employees on salary and in other situations it involves the institution of a total group bonus plan. With more and more employment being concentrated on the indirect side of the organisation, and yet with wage payment arrangements still showing the imprint of an earlier era when manual work predominated, companies are re-thinking the role of compensation in an attempt to motivate all groups—in a way that eliminates the historic cleavages between manual, clerical and managerial employees.

165. Management is also becoming aware that the elimination of disincentives can be as important as the institution of new incentives. It is for this reason that employment guarantees have become such an important part of the new schemes.

166. There is also an increased recognition that "looseness" cannot be unilaterally removed and that collective bargaining is an important mechanism for increasing efficiency as well as distributing additional benefits. Workers have property rights in the established order and need to participate in any decisions made about changing the *status quo*.

167. These changes in the environment as well as in the thinking of management and labour leaders explain the steady evolution that is taking place away from individual plans that emphasise output to more indirect plans that focus the attention of the total organisation on all aspects of economic achievement.

168. But these developments are not confined to Britain. In an examination of wage payment methods on the Continent, for example, Christian Dejean noted an evolution away from an emphasis on effort to an emphasis on economy of means, technological progress, acceptance of increased responsibility, and interest in the success of the firm.<sup>1</sup>

169. But much of the same pattern has been observed in Communist countries. Initially payment was by the piece and rewarded extra output of the individual or small group. Yet gradually the systems have been modified to emphasise such factors as machine utilisation, quality, raw material economy, acceptance of new products and processes and reductions of fixed overhead. All of these adaptations have been made within the structure of individual and small group incentives. Now these countries are introducing plans which apply to all workers in an enterprise and which are designed to encompass all aspects of factory effectiveness.

170. In the United States as has already been noted a similar evolution can be observed in many industries. The railroads provide an interesting example. Initially, the carriers used time rates as a basis of compensation, but it was found that "the mere lapse of time might utterly fail to measure the sacrifice for the men or the results for the company"<sup>2</sup> and as a consequence trip rates were introduced. But this system proved equally troublesome, mainly due to the inability of the carriers to establish equitable trip rates. As a result abuses developed: "I know one man, in particular, who held one of the best passenger runs in the West because he kept the division superintendent supplied with spring chickens. These are hard cold facts".<sup>3</sup>

171. As a result, the industry moved by the early 1900's to the third phase, mileage pay. While mileage pay did not adjust for differences in conditions quite as adequately as the trip system, it did put everyone on the same basis of measurement; in addition, the mileage concept was simple and represented the language of railroad transactions.

172. At the present time it is doubtful whether the mileage system is still required as a motivating device (although it may be required for purposes of preserving accustomed earnings). Management is capable of administering the work force through its control techniques and intelligent supervision. Just when the shift to the next system of compensation will occur is hard to predict. The environment has changed and eventually something less direct and more encompassing than piecework will emerge.

173. Thus, it appears that an evolution in wage payment methods is taking place that is world wide. It is also clear that the evolution has been underway for some time.<sup>4</sup> But while the current "crisis" in wage payment methods will accelerate the evolution, it is also clear that the traditional

<sup>1</sup> Christian Dejean, "La Liaison des Salaries à la Production: Evolution de ses Modalités", *Sociologie du Travail* (April-June, 1964), pp. 135-143.

<sup>2</sup> *Report of the Eight Hour Commission*. (Washington: Government Printing Office, 1918), p. 216.

<sup>3</sup> Testimony of Warren S. Stone, official head of the Brotherhood of Locomotive Engineers, *Report of the Eight Hour Commission*, *op. cit.*, p. 281.

<sup>4</sup> For a good discussion of this point see: Marcel Bolle de Bal, "Crise Mutation et Dépassagement de la Rémunération au Rendement", *Sociologie du Travail* (April-June, 1964), pp. 113-134.

methods, especially output incentives, will remain in use for much of the foreseeable future. For one thing, in many situations the environmental factors of technology and labour market conditions as well as the internal factors of managerial style, not to mention habit and tradition, all combine to perpetuate the accustomed form of wage payment. Then, too, there is insufficient experience with the newer methods to provide a basis for predicting results. As several management spokesmen expressed the point at a recent OECD conference:<sup>1</sup>

"We have experienced many problems with output incentives, but we are not about to abandon them in favour of total group and salary systems, which while intellectually appealing may not be motivationally engaging."

Thus, the speed of the evolution will be as much determined by the promise and the "pull" of the new systems as the problems and "push" of the old ones.

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<sup>1</sup> *Forms of Wage and Salary Payment for High Productivity*, Paris, September 1967.

Royal Commission on Trade Unions and Employers' Associations

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RESEARCH PAPERS  
11

TWO STUDIES IN INDUSTRIAL RELATIONS

1. The Position of Women in Industry

by

Nancy Seear

2. Changing Wage Payment Systems

by

Robert B. McKersie

LONDON

HER MAJESTY'S STATIONERY OFFICE

1968



## Foreword

This is the final Research Paper to be published by the Royal Commission on Trade Unions and Employers' Associations. It consists of two specially prepared studies both of which deal with contemporary problems of considerable interest and importance.

In the first Miss Nancy Seear of the London School of Economics and Political Science describes the position of women in British industry and argues that many of them are employed in ways that are personally frustrating and wasteful of national labour resources.

In the second Professor McKersie, of the University of Chicago, discusses what has been termed the "crisis" in wage payment systems. He shows that its roots are more complex than might be supposed, and that the desire on the part of more and more managers to replace systems of payment by results by "measured day work" is only its most publicised manifestation.

It is hoped that both papers will be found interesting and useful by many people concerned with industrial relations. The views expressed are of course those of the authors named.

*Royal Commission on Trade Unions and Employers' Associations,  
Lacon House,  
May 1968.*



## CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
<b>FOREWORD</b> ... ... ... ...	... ... ...	iii
<b>1. THE POSITION OF WOMEN IN INDUSTRY</b>		
<i>Summary by W. E. J. McCarthy</i> ... ... ...	1-6	1
A. The Present Situation ... ... ...	7-22	2
B. Reasons for the Present Situation ... ...	23-42	8
C. What Needs to be Done ... ... ...	43-70	14
D. Conclusions ... ... ...	71-79	25
<b>2. CHANGING WAGE PAYMENT SYSTEMS</b>		
<i>Summary by W. E. J. McCarthy</i> ... ... ...	1-12	27
A. Introduction ... ... ...	13-21	31
B. Advantages and Disadvantages of Alternative Wage Payment Systems ... ... ...	22-121	35
(i) Output Incentives ... ... ...	23-55	35
(ii) Cost Reduction Plans ... ...	56-72	42
(iii) Profit Improvement Plans ... ...	73-89	46
(iv) Measured Daywork ... ...	90-106	49
(v) Longer Run Guarantees ... ...	107-121	52
C. Conclusions ... ... ...	122-173	55
(i) Motivational and Organisational Effectiveness ... ... ...	123-131	55
(ii) The Relationship Between Effort and Earnings ... ...	132-145	57
(iii) The Choice of an Optimum System ... ...	146-152	59
(iv) Removal of the Wage Payment System ... ...	153-158	61
(v) Final Remarks ... ...	159-173	62

## SUMMARY

### CHAPTER 1: INTRODUCTION

1. This Research Paper contains the preliminary results of the first nationwide survey of workshop relations in Britain. It is based on nearly 4,000 personal interviews with trade unionists, non-unionists, shop stewards, full-time trade union officers and representatives of management. The need for the study arose out of the first Research Paper of the Royal Commission, *The Role of Shop Stewards in British Industrial Relations: A Survey of Existing Information and Research*. This revealed that while there was a considerable amount of information about many important aspects of the steward's job much more needed to be discovered. A national survey was therefore designed to provide information grouped under the following headings:

- A. Negotiation and Representation at Workshop Level.
- B. The Role of Trade Unions in Workshop Relations.
- C. The Role of Employers' Associations.
- D. Other Aspects of Workshop Relations.

2. It should be noted that it was necessary to obtain the samples used in the survey in different ways. One consequence of this is that comparisons between the results of the *same* question put to *different* samples need to be treated with some degree of caution. (Further details of the limits of reasonable comparison are set out in Chapter 1.)

3. It has not been possible in the time available to do full justice to the mass of data uncovered by the surveys, but this work will proceed after the Commission has reported and be embodied in a further publication.

### CHAPTER 2: NEGOTIATION AND REPRESENTATION

4. The first section of this chapter considers what has been discovered about the personal characteristics of the parties involved in the system of workplace relations. Their average age appears to be in the range of 41-49 years, with union full-time officers and works managers rather older than the rest. Stewards have generally worked for their present firms for over ten years, and 30 per cent have had some form of training for the job. More than half of them are not interested in promotion in their firm and a similar proportion of full-time officers do not want to become senior officers in their union. Relatively few stewards think that being a steward would prevent them from getting promotion in the firm.

5. The second section of the chapter is in four parts and deals with the nature and extent of the shop steward system, the range of workplace bargaining, the operation of procedures within the workplace, and indices of satisfaction with the operation of workplace relations. The first part indicates that the typical shop steward went through no contested form of election, has a constituency of about 60 members and spends six hours a week as a steward.

He generally regards facilities for contacting members as good, is more likely than not to have meetings with other stewards in his workplace, and will give up as a steward only if he changes his job or leaves the firm. The second part shows that there is a wide range of bargaining activities among stewards. About one in six do not settle any issue with management, although the average number of issues settled is twelve. Those with a high range of bargaining are often senior stewards in large multi-union plants. The third part shows that the senior-steward system is widespread, as are joint committees of stewards and management at plant level. Most stewards and managers said that there was a procedure for settling disputes in their plant, and more than half of the firms belonging to employers' associations had their own formal plant procedure. A third of managers said the use of procedure had increased in recent years, but there is also ample evidence of the growth of informal contacts and procedures at shop floor level. In the fourth part indices of general satisfaction with workplace relations show that while certain aspects are irksome to some participants, most are reasonably satisfied with the system as a whole.

6. The third section of Chapter 2 deals with the influence of shop stewards considered from four points of view: their influence on members, their dealings with management, the beliefs about their militancy relative to that of their members, and comparative views on the value of their work. It is found that stewards are the main source of the members' information about union affairs, but are by no means always able to persuade members to accept their point of view when a dispute arises. Although 70 per cent of members thought that stewards usually took the workers' point of view rather than that of management, only a third of stewards said that most of their members appreciated what was done for them. Four-fifths of stewards thought their work was accepted willingly by managers and three-quarters of managers thought stewards were efficient as workers' representatives. The management view of stewards was that generally they *did* take notice of union policy and instructions, and were not more militant than their members.

### CHAPTER 3: THE ROLE OF TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

7. The first section of this chapter deals with the role of unions in workshop relations and this is considered under the following headings: the role of full-time officers in workplace bargaining, their comparative importance, the use of branches in general to discuss workplace matters, and the comparative branch involvement of the parties surveyed. Sections are added on the closed shop and on the advantages and disadvantages of union membership. It is found that stewards and full-time officers are generally satisfied with each other's contribution to workshop relations. Over half the stewards interviewed had regular meetings with their officers. While a third wanted their officer to have a bigger part in local negotiations, two-thirds thought he played a very important part already. Only a quarter of the officers wanted to play a bigger part in local negotiations. Four out of five thought that they had sufficient influence over stewards. Managers were less enthusiastic about the role of officers, probably because of their infrequent contacts with them. Nearly half had never settled a grievance or claim with an officer, and a similar proportion believed that officers were not important in workshop relations.

Over two-thirds would rather deal with a steward than an officer, if both were equally competent. Branch meetings were often used to discuss workplace grievances and claims but less often to decide workplace policy. Stewards' attendance at branch meetings was considerably higher than that of members. Most union members knew of no disadvantages of membership and only 15 per cent of those in closed shops would leave the union if membership were not a requirement of the job. Nearly a third of managers thought it helpful if workers had to belong to a union, and more non-unionists had a favourable than unfavourable impression of union activities.

8. The second section of the chapter deals with the extent and consequences of multi-unionism. It shows that most plants had more than one union representing manual workers, although it was much less usual to find unions competing for workers in the same grade of work.<sup>1</sup> The need for inter-union co-operation in these situations was shown by the two-thirds of management-steward committees which were multi-union in character, and by the prevalence of multi-union shop steward meetings. It was found that many stewards sometimes acted on behalf of another union's members. Multi-union grievances and claims arose fairly often, and about half of those concerned (and most full-time officers) thought it would help if fewer unions were involved.

9. The third section concerns the role of employers' associations. It was found that while most managers appreciated the benefits of collective action among employers and advice on trade union matters, the evidence is that employers' associations have little influence on industrial relations at plant level. Although a few managers thought that membership limited a firm's freedom of action and imposed a need to conform to majority decisions, the bulk of what little criticism there was related to the weakness of associations in enforcing decisions. Three-fifths of managers who had wanted to make a concession to the unions of which their association disapproved had in fact made the concession despite this opposition, and there seemed to be little enthusiasm among members for increasing the power of associations.

#### CHAPTER 4: OTHER ASPECTS OF WORKSHOP RELATIONS

10. The four sections of this chapter deal with systems of wage payment, the role of strikes and other sanctions, the use of disciplinary penalties and manpower utilisation. In the first section it is shown that at least a third of all participants wished to change their system of wage payment for another. Of those who wished to change from payment by results, stewards often gave the reason that it led to inequities and fluctuations in earnings, while foremen thought payment by results was unfair and tended to encourage shoddy work. Stewards who wished to change to payment by results thought this would be an incentive to make more money, while foremen stressed its possible effect on output. Stewards generally seemed keener to replace payment by results than did either management or union members. A majority of both stewards and members thought that they were paid a fair amount in comparison with others doing the same kind of work in their firm.

<sup>1</sup> Only 31 per cent of stewards claimed to be in this situation, and a mere 16 per cent of the sample of members, which were drawn from a much wider base.

11. The section of Chapter 4 devoted to the role of strikes and other sanctions shows that about a third of those interviewed had experienced a strike since taking up their present post—and on average this period was roughly six years. A third of stewards and managers had experienced overtime bans and threats to strike, and smaller proportions said they had also experienced working to rule and "go-slows". A half of the strikes concerned wages or bonus payments. A majority of stewards and managers agreed that their last strike lasted one day or less, that the decision to strike was taken at a shop-floor meeting, and that a full-time officer had been sent for, but stewards estimated larger numbers of workers involved than did managers. Most stewards thought that the strike had achieved a more favourable settlement for those who took part, but only a fifth of managers and foremen agreed. Full-time officers had a stronger belief in the effectiveness of strikes than did members or stewards, but majorities of all three groups were opposed to unqualified unconstitutional action.

12. The information on disciplinary practices considered in the third section consists of the disciplinary procedures which managers reported having in their plants, the beliefs and fears on the part of union members and non-unionists about this issue, the alleged victimisation of shop stewards, and the operation of union and work-group discipline. It was found that in just over half the plants surveyed disciplinary penalties were imposed on workers. In two-thirds of these cases workers were said to be able to appeal against the penalties and could usually be accompanied by their steward when making an appeal. Although some stewards and members knew of cases of victimisation, the vast majority thought that their management was fair in matters of discipline. Thirteen per cent of stewards said they had been victimised in some way by management, but very few cases appear to have involved dismissal. The managers' general feeling was that stewards were treated in the same way as other workers—or if anything more leniently. Almost all members said unions were fair in matters of discipline and in the conduct of elections.

13. In the final section of Chapter 4 the results of questions concerning the effective use of manpower are summarised. About half the managers interviewed thought that there were inefficient labour practices in their plants and that the organisation and arrangement of work could be improved. Nearly three-quarters thought that workers could put in more effort. Few managers thought that the abolition of inefficient labour practices or the better organisation of work would make more than a 20 per cent difference to labour costs. Two out of five foremen thought the work they supervised could be better organised, but nearly all foremen said they had adequate scope to ensure that it was efficiently done. A majority of managers and foremen thought they could cut at least some overtime without cutting output.

#### CHAPTER 5: THE PATTERN OF WORKSHOP RELATIONS

14. To obtain a general picture of the pattern of workshop relations that emerges from the surveys it helps to pose four questions. The first of these asks what the surveys tell us about the operation of the system of negotiation and representation in Britain at workshop level.

15. A picture emerges of a system of representation of one kind or another in most organised plants. Yet there are very wide variations in its scope and in the influence and functions of shop stewards in different plants. By contrast there are pronounced similarities in the procedural arrangements that have developed, and in the network of informal practices and "short-cuts" that surround such formal procedures.

16. There is evidence that the occasional use of unconstitutional strikes and other sanctions is quite common, but this often seems to be compatible with a state of industrial relations which both sides regard as generally satisfactory. It is also compatible with frequent and even increasing use of procedure; which seems to suggest that to the participants use of procedure, and breaches of procedure, may be complementary rather than contradictory activities.

17. There is little evidence that shop stewards are more militant than their members, or more likely to favour unconstitutional action. For the most part stewards are viewed by others, and view themselves, as accepted, reasonable and even moderating influences; more of a lubricant than an irritant. This does not mean that they do not have disputes with management. The point is that disputes, strikes and stewards who are accepted as a moderating influence, are found together.

18. The *second* question to ask is what the surveys tell us about the relationship between members and their union. Stewards are seen to be the crucial point of contact between members, full-time officers and the union, even where there are workplace-based branches. Yet they cannot hope to exert influence over their members except by the use of persuasion and argument. Theirs is a form of leadership based on consent, rather than effective sanctions. This modifies the significance of the fact that they do not usually emerge from a competitive election process.

19. Relationships between union full-time officers and their stewards appear to be complex and interdependent. The officer may need the steward, but it seems that the steward also looks to the officer for advice and support, and that they share certain objectives and assumptions. Perhaps because of this there is little conflict between the two, despite differences in their roles. No doubt there are stewards who are both the embattled opponents of management and in revolt against union authority and influence; but it is important to realise that they are atypical.

20. Relationships between members and the union are affected by the evidence of multi-unionism in many plants. Yet it is clear that most participants feel that more or less satisfactory devices have been found to deal with the problems arising from multi-unionism; only the bulk of full-time union officers feel that it would help substantially if there were fewer unions. This may be because they alone have practical experience of a wide range of plants, some of which are unaffected by multi-unionism.

21. The *third* question concerns what the surveys tell us about relations between different levels of management. Once again there are indications that the participants accept differences in role and that these differences do not

produce a general feeling of conflict. It is also clear that employers' associations play a marginal part in the regulation of workshop problems in most firms, and that on the whole it is accepted by both associations and their member firms that this should be so. This fact, together with the marginal role played by most full-time union officers, may be taken as evidence that the system of workshop relations is in most cases relatively self-contained and self-regulating.

22. The *fourth* question to be considered is what the surveys tell us about the general level of satisfaction among participants with the system as it is. The most pervasive impression one gets from the surveys is that most people are reasonably satisfied with things as they are. In each instance a minority is dissatisfied, but very few are generally dissatisfied. Yet certain aspects of minority dissatisfaction may be regarded as particularly important, and even more significant than majority satisfaction—e.g. those relating to the inefficient use of labour, the system of wage payment and fears of unfair treatment or dismissal.

23. This does not mean that the surveys will silence demands for the reform of workshop relations. The advocates of reform might say that they reveal complacency rather than a well-adjusted and mutually beneficial system. It may be argued that even if they show that the system satisfies the participants, they also indicate that certain external interests, such of those of the public at large, are left out of account or harmed. However, the surveys cannot be used to demonstrate that proposals for changes in workshop relations are needed because of widespread discontent and dissatisfaction on the shop floor. They also provide clues to the practicality and likely effects of many suggestions that are made for reform.

24. The final section of Chapter 5 compares the picture of workshop relations in Britain that emerges from the surveys with that set out in Research Papers I on the *Role of Shop Stewards*. Once again stewards emerge as essentially bargainers, who tend to use any device, or short-circuit any rule, in the service of their members. It is again confirmed that unions depend very much on their shop stewards to maintain membership and meet its demands at workshop level. Yet there are ways in which the surveys correct earlier views of the average steward. More importantly they tell us many new facts about the nature of his job and his relations with management, members and the union. A picture emerges of a relatively autonomous system, where there can be role conflict without conflicting role expectations. There may be clashes of interest but the parties have adapted to this situation and reached a high level of mutual tolerance and acceptance.

## CHAPTER 6: PRACTICAL APPLICATIONS

25. Research Papers I considered four related suggestions for reform in workplace relations that need to be reconsidered in the light of information in the surveys.

26. The *first* involves additional legal penalties to prevent breaches of agreement, especially unconstitutional strikes. The surveys support the view that since strikes and other forms of workplace sanctions, such as "go-slows" or

overtime bans, are alternative means at the disposal of the work group, penalties of this kind would have to cover *all* kinds of unconstitutional activity to be effective—though this does raise practical problems. They also suggest that it is necessary to make a distinction between the occasional use of unconstitutional action by a group and the persistent and frequent use of the strike in so-called "strike-prone" plants. There is a case for concentrating attention, and therefore additional sanctions, on the second situation. But there is also the point that the evidence of the surveys suggests that attitudes towards procedural observance, like attitudes towards the observance of other types of rules, are flexible and pragmatic on the shop floor. Where rule breaking, or short-circuiting of rules, is common on both sides it may be doubted how far even selective attempts to enforce procedural rules by law are likely to make much impact. A more promising reform might be to induce or encourage the parties to engage in a general review and revision of the internal rule-making process.

27. The *second* proposal concerns the need to ensure that trade unions do more to control and discipline their members—so as to encourage the observance of procedure. In particular it has been suggested that certain legal penalties should be imposed on union officers—both full-time and lay—if they do not do all they can to ensure the observance of procedure at all times. The surveys cast doubt on the practicality and advisability of suggestions of this kind in a number of ways. First, although officers are less likely to support purely opportunistic breaches of procedure, they do not believe in unreserved and unqualified procedural observance in all circumstances. (Indeed in many ways they adopt attitudes towards the justifiability of unconstitutional action which are similar to those of their members.) Second, the surveys also cast doubt on how far union officers, especially shop stewards, can be forced to act in this way by the threat of legal sanctions, or how far it would be advisable to put pressure on them to this end. The surveys indicate that this might be expected to lead to a decline in their present degree of influence over members, which is generally thought to be a moderating one. It is also likely to lead to a shortage of stewards.

28. The *third* proposal discussed in Research Papers 1 concerns the case for more formal agreements at workshop level. The argument for a move in this direction has been put strongly in evidence placed before the Commission, in reports of the Prices and Incomes Board, and in the Commission's own Research Papers. The suggestion advanced has been that more formal procedural and substantive agreements, covering an entire plant, would represent a move away from the present system of unco-ordinated and fractional dispute settlement which produces and perpetuates anomalies and inequities of all kinds.

29. The surveys do not prove that there should be such agreements, but they do contain information relevant to current discussion on this subject. They show, for example, that informal settlement by shop stewards on behalf of small groups is very widespread. They indicate that formal procedures are ignored, supplemented and short-circuited in various ways. Yet they also show that many firms have already added to national procedures their own formal plant procedure, and that most of them have formed plant-wide

3. *Other Aspects of Workshop Relations*: i.e. systems of wage payment, management, union and work-group discipline, the use of labour etc.

34. In the next three chapters these subjects will be discussed in turn. Chapter 5 deals with the general picture of workshop relations in this country which emerge from these chapters and a final chapter considers their practical implications. The final section of this paper contains twenty-six selected tables, chosen to illustrate the main points raised in the text. Readers who wish to know the exact wording of questions asked in interviews should consult Appendix II.

## 2. Sources of the Samples

35. It could be argued that from some points of view the ideal method of obtaining information about workshop relations would have been to interview all those involved in a number of randomly selected workplaces or establishments. Unfortunately this method would have presented considerable difficulties, especially in regard to getting adequate samples of stewards and union officers for analysis by type of union. It was therefore decided to obtain the samples used for this paper in three different ways:

- (a) From a selected number of large unions where lists of stewards and officers were obtainable from which samples could be drawn.
- (b) From a sample of the electorate, which provided a number of members and non-members of trade unions from among the working population.
- (c) From a sample of manufacturing and construction establishments, which provided a sample of works managers, personnel officers and foremen.

36. One consequence of this procedure is that although the comparisons of findings of various surveys may be said to provide some of the most interesting results, a word of warning must be given about such comparisons. Because of the random sampling methods used by the Government Social Survey, and the high response rate, the results for any particular sample are likely to be highly representative of the population from which the sample was drawn.<sup>1</sup> But, comparisons between the results of the same question put to different samples must be treated with caution when these samples are drawn in different ways. (Thus findings concerning questions about unions take into account only the five or six unions sampled for officers and stewards. Yet questions to union members take into account all unions to which they belong, and these include many not represented in the officers' and stewards' samples.)

37. There is, perhaps, need for a short explanation of the factors which governed our selection of the six unions chosen to form the basis of sample(s) above. It was known that the time at our disposal ruled out any attempt to draw up a representative sample of unions, who might all be contacted and asked if they would agree to co-operate. It was therefore necessary to decide

<sup>1</sup> For example, there is less than a 5 per cent chance that a particular finding from the sample of 300 Transport and General Workers' Union stewards would have varied by more than 6 per cent either way if all the 30,000 TGWU stewards had been interviewed.

on not more than half a dozen unions, and for this reason it seemed best to include the three largest unions in the country: i.e. the Transport and General Workers' Union, the Amalgamated Engineering Union<sup>1</sup> and the General and Municipal Workers' Union<sup>2</sup>. One or more of these unions are represented in most industries in Britain and organise among a wide variety of occupations and trades. Moreover, between them they have about a third of the trade unionists in Britain and at least half the shop stewards. Yet their constitutions and traditions are in many ways dissimilar and contrasting, especially those of the AEU when compared with the general unions.

38. For the remainder of our sample we decided to select three unions which might be expected to provide a contrast with these organisations. Thus the Electrical Trades Union was selected as an example of a medium sized union of craft origins. The remaining two unions were chosen mainly because of the special interest of the industries they represent, and because they too organise in occupations and industries where the general unions are largely absent. The first of these was the Amalgamated Union of Building Trade Workers and the second the National Union of Railwaymen.<sup>3</sup> In the case of the latter there was the additional interest that the persons to be contacted for the stewards' sample were members of local departmental committees. These committees are established under the national procedure agreement for the railway industry and their duties and functions are defined in the procedure in a relatively precise way. They are also elected by methods which are usually formal, at least in comparison with the methods adopted for most other shop floor representatives.

### 3. The Preliminary Nature of the Findings

39. The interviews on which the findings in this paper are based were conducted during the period August to October 1966. As soon as possible after completion of the interviews the Royal Commission was supplied with preliminary results from each survey, and in due course with further results which drew certain limited comparisons between one survey and another. After receiving these results the Commission decided to authorise the publication of a Research Paper based on the preliminary findings.

40. However, it has not been possible in the time available to do full justice to the very considerable volume of data uncovered by the surveys and in any case much of it will require further analysis, and interpretation. It therefore seemed clear that further work should be undertaken on the material in the surveys, so as to be able to make the most of the opportunity they provide to form a representative and comprehensive picture of the state of workshop relations in Britain. It is intended to publish the results of this work in due course.

<sup>1</sup> Since the surveys were conducted the AEU has amalgamated with the Foundry Workers to form the Amalgamated Engineering and Foundry Workers' Union.

<sup>2</sup> National Union of General and Municipal Workers (NUGMW).

<sup>3</sup> It should be noted that when reference is made to percentages of "all stewards" these are based on the replies of stewards in proportion to their estimated numbers in each of the six unions sampled. Thus the NUR and AUBTW contribute very little to the total answers and 98.5 per cent is contributed by the other four unions.

## CHAPTER 2

### NEGOTIATION AND REPRESENTATION

#### 1. Characteristics of the Parties

41. In this section we shall consider various personal characteristics of the parties involved in the system of workplace relations. These include age, experience in the job or positions, sex, education and training, ambition and interests outside the job.

#### *Age and Experience*

42. The average ages of the various types of informants were: stewards 45, ex-stewards 43, full-time officers 49, works managers 49, personnel officers 44, foremen 46, union members 44, and non-unionists 39. Because of the method of selecting ex-stewards and foremen (see Appendix I) their average ages cannot be taken as representative of all ex-stewards and foremen. Where analysis of answers by age of informants is subsequently given, the groups are generally under 45, 45-54 and 55 or over.

43. On some issues the length of time that informants have held their position is a relevant factor. The stewards in our sample had represented their present group of members for an average of 6 years and 62 per cent of them had worked for their present firm for ten or more years. The full-time officers had held their present union post for an average of 11 years. The average length of service in their present post was 9 years for works managers, 6½ for personnel officers, and 5 for foremen. Union members tend to have worked for their present firm longer than non-unionists—51 per cent for 10 or more years compared with 29 per cent of non-unionists.

44. Most stewards were classified as either skilled manual workers (55 per cent) or semi-skilled manual (32 per cent). The remainder consisted of unskilled manual and intermediate non-manual workers,<sup>1</sup> including 4 per cent foremen or supervisors. Nearly all the sample of officers had been active lay officers before taking on their present job and 36 per cent had been stewards. Seventy-two per cent of works managers had held a similar job to their present one or another position as employer or manager elsewhere. Forty-five per cent of personnel officers had been personnel officers previously, and a further 27 per cent had held a managerial or professional post. Before becoming foremen, 85 per cent of the sample had worked for their present firm. Forty-five per cent of foremen previously held a skilled manual job, 20 per cent a semi-skilled manual job, 24 per cent were foremen or supervisors, and only 3 per cent held an unskilled manual job.

<sup>1</sup> These include, for example, technical engineering assistants, creative artists and qualified nurses.

### Sex

45. Six per cent of the stewards' sample were women. There were most women stewards in the NUGMW (13 per cent), but none in the NUR or the AUBTW. Only one of the full-time officers interviewed was a woman, and the same applied to the works managers; 92 per cent of the personnel officers were men, as were 94 per cent of the foremen.

### Education and Training

46. The following table summarises some information about the education and qualifications of the various samples:

	Attended elementary or secondary modern school Per cent	Had further education (full or part-time) Per cent	Served full industrial apprenticeship Per cent
Stewards	81	36	25
Full-time officers	69	51	27
Foremen	73	54	39
Union members	78	31	12
Non-unionists	68	34	8

There was some variation among the union types; for example, 60 per cent of the ETU stewards had had part-time further education, and 61 per cent of the AUBTW stewards had served a full industrial apprenticeship.

47. Stewards were asked whether they had taken part in any course of training or instruction *for their job as a steward*. The interviewers made it clear that this did *not* include vocational courses or those taken for other purposes. Thirty per cent said they had taken part in training courses. The union percentages were:

TGWU 40 per cent	NUGMW 22 per cent	NUR 67 per cent
AEU 23 per cent	ETU 29 per cent	AUBTW 18 per cent

Further details about the training courses in which stewards had taken part are given in Table 1, p. 80.

48. Seventy-six per cent of the officers sampled had taken part in one or more training courses for their job. The proportion was higher (85 per cent) in the two general unions than in the other three unions (50 per cent). Thirty-eight per cent of the sample had been on at least three different types of courses,<sup>1</sup> and 15 per cent on at least five different types. Further details about these training courses are given in Table 2, p. 80.

49. Fifty-two per cent of the works managers claimed some training for their job as works managers. The comparative figures by industry were: metal handling 61 per cent, other manufacturing 48 per cent and construction

<sup>1</sup> Two or more courses of the same type counted only once.

28 per cent.<sup>1</sup> Sixty-nine per cent of personnel officers claimed to have had specific training in personnel work. Thirty-eight per cent of foremen said they had taken part in a course of training for their job as foremen, but this fell to 21 per cent among construction foremen. Twenty-six per cent of foremen had taken part in a course specifically designed to help them deal with industrial relations (6 per cent of construction foremen).

#### *Ambition and Outside Interests*

50. Stewards were asked whether they were interested in promotion. Fifty-five per cent said they were *not* interested, and 28 per cent that they were interested in becoming foremen (including supervisors, charge-hands or section leaders). The rest named other positions to which they would like to be promoted, including general foreman, clerical, technical or managerial jobs. Keenness for promotion was most evident in the ETU (56 per cent) and least evident in the NUR (26 per cent). Those who wanted promotion were asked whether they thought there was a reasonable hope that they would get it. Only 38 per cent thought there was, but only 10 per cent said being a shop steward was a reason for not getting promotion.

51. Fifty-four per cent of trade union officers said they would *not*, in due course, like to become more senior officers in their union. Among those who wanted promotion, the most frequent choices were group or regional officer and national officer other than general secretary. Seven per cent of the sample said they would like to become general secretary of their union. AUBTW officers were less ambitious than others; 87 per cent said they did not want more senior posts.

52. Sixty-nine per cent of foremen were interested in promotion in their firm, and 52 per cent of these thought there was a reasonable hope that they would get it. The main aspirations were to works/area manager (43 per cent of those interested in promotion) and senior foreman (24 per cent).

53. Stewards and officers were asked whether they belonged to any other association besides the union. Thirty-one per cent of stewards and 88 per cent of officers said they did, including 17 per cent of stewards and 81 per cent of officers who were individual members of a political party. Slightly more than one half of both stewards and officers who belonged to other associations besides the union said they took an active part in at least one of them. Seventy per cent of stewards paid the political levy, compared with 41 per cent of union members, but a further 18 per cent of the latter did not know if they paid it.

#### *Summary*

54. The average age of all parties involved in workplace relations appears to be in the range of 41–49 years, with union full-time officers and works managers

<sup>1</sup> Metal handling industries include: engineering and electrical goods; metal manufacture; vehicles; shipbuilding and marine engineering; metal goods not elsewhere specified.

Other manufacturing includes: food, drink and tobacco; chemicals and allied industries; textiles; leather, leather goods and fur; clothing and footwear; bricks, pottery, glass, etc.; timber, furniture, etc.; other manufacturing industries.

Construction is analysed separately.

rather older than the rest. Stewards have generally worked for their present firm for 10 years, and 30 per cent have had some form of training for their job as steward. More than half of the stewards were not interested in promotion and a similar proportion of full-time officers did not want to become more senior officers in their union. Relatively few stewards thought that being a steward would prevent them getting promotion in the firm.

## 2. The Operation of the System

### A. SHOP STEWARDS

55. In this section we shall consider how widespread the steward system is in industry, the process by which stewards get the job, the extent of their duties, the facilities afforded to them, and why they sometimes give up the job.

#### *The Extent of the Steward System*

56. Information obtained in the course of carrying out the surveys, when related to other known data, enables a rough estimate to be made of the number of shop stewards and other workplace representatives (excluding those who only collect subscriptions) in Great Britain. Enquiries made among 16 of the largest unions, with a combined membership of nearly 6·5 million, showed that in 1966 they had about 142,000 stewards. If the same relationship of stewards to members holds good for other unions, the total number of stewards is about 222,000. However, the survey of shop stewards showed that nearly 20 per cent of those whose names appeared on the unions' lists of stewards were not in fact currently so acting. If this applies generally, the true total of stewards may be nearer 180,000. On the other hand, the survey of union members showed that 80 per cent had a steward or workplace representative, and assuming an average constituency of 55 members<sup>1</sup> this would give a total of 168,000. Taking an average of these two estimates, the total of stewards may be put at about 175,000. This represents an increase of about 14 per cent over the last ten years.<sup>2</sup>

#### *How Stewards Emerge*

57. Informants were asked whether they had wanted their present job as a steward or had been persuaded to take it on. Thirty-six per cent said they had both wanted it and been asked, 22 per cent had simply wanted it, and 40 per cent said they had to be persuaded. The largest proportion of reluctant stewards (47 per cent) was in the AUBTW but this was not appreciably above average. The largest proportion of volunteering stewards (52 per cent) was in the NUR.

<sup>1</sup> The average constituency of ordinary stewards in the six unions sampled was 60, but since these unions tended to operate in larger establishments, the overall average constituency size may be nearer 55, with 350 for senior stewards. This would mean a total of 145,000 ordinary stewards and 23,000 senior stewards for 8 million members.

<sup>2</sup> This estimate is based on those unions where the number of stewards in 1956 is known with some degree of accuracy. In many unions this is not the case, so that the estimate is subject to some degree of error.

58. There are several ways in which stewards can get the job, and the following are the proportions shown by those in the sample:

	Per cent	Per cent
In an unopposed election when the previous steward resigned ...	36	
In an unopposed election as the first steward in the job ...	19	
With no form of election ...	16	
<i>Total unopposed</i> ...		71
In a contested election when the previous steward resigned ...	17	
By defeating the previous steward in a contested election ...	8	
In a contested election as the first steward in the job ...	4	
<i>Total opposed</i> ...		29
		100

Thus more than two-thirds of the sample either went through no form of election or were the only candidates for the job.<sup>1</sup> This proportion was higher in the AUBTW (85 per cent), NUGMW (81 per cent) and ETU (79 per cent), and lower in the NUR (44 per cent). Workplace elections outnumbered branch elections by nearly 5 to 1 overall, and by over 20 to 1 in the AEU and ETU. A show of hands was more than twice as frequent as a ballot, and in the ETU 91 per cent of elections were by a show of hands. Ballots were more often held in the NUR (73 per cent) and the TGWU (41 per cent).

59. Sixty-five per cent of stewards said that in practice they had to stand for re-election, and another 15 per cent said they had to do so only technically. Presumably in the latter case, although they were constitutionally supposed to stand for re-election, in practice there was no opposition and so no election was held. The highest proportions saying that they did not have to stand for re-election either in practice or technically were in the AUBTW (54 per cent) and the NUGMW (35 per cent). Nearly all intervals for elections were either one year or two, and the former outnumbered the latter by three to one. In the AEU and the ETU annual elections were the rule, but in the NUR they were mostly every two or four years. Seventy per cent of those who had ever stood for re-election had never been opposed, and only 15 per cent were regularly opposed. Lack of opposition was more common in the ETU and less common in the NUR and the TGWU. The rarity of alternative candidates for the job is indirectly supported by the small number of members who said they wanted to be stewards (8 per cent of those who had never been stewards).

#### *Duties of Stewards*

60. Stewards were asked how many members they were responsible for. In a few cases two or more stewards were jointly responsible for a group of members. The following average numbers of members for *ordinary* stewards

<sup>1</sup> This was supported by the finding from the members' survey that only a third of stewards were known to have been opposed when they got the job.

are therefore approximate, especially the higher numbers which were usually based on stewards' own approximations:

All Unions	TGWU	AEU	NUGMW	ETU	NUR	AUBTW	
Average number of members (ordinary stewards)	60	75	45	65	35	200	20

The high number of members for whom NUR representatives are responsible reflects their somewhat different function as compared with stewards in other unions. The scattered nature and small size of work groups in construction no doubt accounts for the relatively few members per AUBTW steward. The average numbers of members for whom senior stewards were responsible are much larger:

All Unions	TGWU	ABU	NUGMW	ETU	AUBTW	
Average number of members (senior stewards) ... ...	350	450	250	350	200	125

In the NUR there is no similar office to the senior steward, and so no figures are given.

61. Only 1 per cent of informants were full-time stewards, defined as spending all or most of their working hours on union business. This proportion was constant in all the large unions, but rose to 5 per cent in the NUR and fell to nil in the AUBTW. The average numbers of hours per week spent as stewards were:

All Unions	TGWU	AEU	NUGMW	ETU	NUR	AUBTW	
Average number of hours per week spent as steward... ...	6	8	5	5	4	15	4

This included an average of four hours spent in working time or during breaks, and two hours in the stewards' own time. Senior stewards spent a total weekly average of ten hours on their union duties. The large number of hours spent by NUR representatives is no doubt partly a result of their large constituencies.

#### *Stewards and Their Pay*

62. Stewards were asked whether they lost pay from their employer as a result of their union activities. Ten per cent said they did sometimes and another 7 per cent regularly. Among AEU stewards 12 per cent lost pay sometimes and 9 per cent regularly. Only 1 per cent of all stewards lost more than £2 in an average week. The average amount lost by those giving a figure was just under £1 a week, but about half of the losses were not more than 10s. per week. A half of the 17 per cent of stewards who lost pay said it was made up

to them in some way. This half consisted of 20 per cent having it made up by the union, 19 per cent by the members, and 11 per cent from commission on collecting subscriptions. Thirty per cent of the stewards who lost pay from their employer were fully compensated for their loss.

63. Twenty per cent of union members who had a shop steward said that money was collected by him or on his behalf for a purpose other than subscriptions. Money was collected from these members for benevolent funds or charities (74 per cent of cases), compensation of the shop steward (8 per cent), union funds (4 per cent), strike pay (4 per cent), and other reasons (10 per cent).

#### *Facilities for Contacting Members*

64. We asked to what extent stewards depended on the place of work for contacting members, as against meeting them outside such as at branch meetings. Seventy-one per cent said they depended entirely on workplace contacts, and 27 per cent depended mostly on them. Complete dependence on workplace contacts was the greatest in the ETU (78 per cent) and smallest in the NUR (30 per cent). The members' survey confirmed these findings: 70 per cent met their steward every day and 95 per cent said it was easy to approach him on union matters whenever they needed to do so.

65. Asked if they could leave the job to contact members whenever they wanted, only 13 per cent said no. The rest were divided into the following groups:

		Per cent
No permission required ...	...	13
Permission required but only "out of courtesy"	...	44
Permission required "out of necessity"	...	25
Does not apply—steward works alongside members	...	5
		—
		87

The proportion who could not leave the job at all to contact members varied from 9 per cent in the AEU to 19 per cent in the TGWU. An even higher proportion (35 per cent) could not do so in the NUR, but the scattered nature of the "place of work" no doubt accounts for this. The stewards who had to get permission to leave the job to contact members "out of necessity" were asked whether it was ever withheld. Twelve per cent said it was, rising to 23 per cent in the AUBTW. Only eleven stewards in the whole sample said that permission was withheld more than twice during the last 12 months.

66. Seventy-five per cent of the sample said they held meetings of members at the place of work. This varied from 62 per cent in the NUGMW to 87 per cent in the AEU. Workplace meetings were held during working time by 35 per cent, during breaks by 47 per cent, and before or after work by 33 per cent. Permission to hold workplace meetings during working time had always to be obtained by 89 per cent of stewards holding them. But of those who had to get permission, only 13 per cent said it was ever withheld. Most of those who said permission was ever withheld also said that they had to state what the purpose of the meeting was. Only 6 per cent of those who sometimes held meetings of members during breaks or before or after work said they were ever refused permission to hold them.

67. Seventy-one per cent of stewards said they were "very satisfied" with opportunities to contact members at the place of work; 23 per cent were "fairly satisfied" and 6 per cent "dissatisfied". Dissatisfaction was highest in the NUR (12 per cent) and lowest in the NUGMW (3 per cent). Those who were dissatisfied with opportunities for workplace contact were asked whether they were satisfied with opportunities to contact members outside the place of work. Just over half (or 3 per cent of the whole sample) said they were dissatisfied.

68. This information obtained from stewards may be compared with that given on the management side. The great majority of managers and foremen said that stewards could leave work when they wanted to contact their members, although most of them also stated that permission had to be obtained first. Thirty-six per cent of works managers, 41 per cent of personnel officers, and 27 per cent of foremen said that their stewards held workplace meetings of members during working hours, and an average of these proportions tallies closely with the 35 per cent of stewards who claimed to hold such meetings. About one-third of managers had on some occasion withheld permission for such meetings, although stewards said this happened in only 13 per cent of cases.

#### *Workplace Meetings of Stewards*

69. From answers to a general question, we discovered that there were some kinds of meeting between stewards in 66 per cent of workplaces of our informants. The only two unions to deviate far from this figure were the AEU (85 per cent) and the NUGMW (49 per cent). Four kinds of steward meetings were distinguished, and the proportions of stewards saying these were held in their workplaces are given below:

	All Unions	TGWU	AEU	NUGMW	ETU	NUR	AUBTW
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
<i>Meetings of Stewards held from</i>							
Own union, own workplace ...	55	55	71	37	39	59	43
Different unions, own workplace ...	47	43	58	31	55	22	53
Own union, different workplaces ...	32	32	46	14	30	47	30
Different unions, different workplaces ...	20	22	24	8	22	26	26

The proportions of stewards having themselves attended each of these types of meeting are generally a few per cent less than the figures in the table above.

70. Details of each kind of meeting, including who organised them, how often they were held, and how important stewards thought they were are set out in Table 3 on p. 81. The main facts the table shows are: (1) that stewards mostly organised single workplace meetings, full-time officers mostly organised single union-different workplace meetings and that the fourth type of meeting—the so-called "combine committee" meeting—was organised

about equally frequently by stewards and full-time union officers; (2) that the single workplace meetings were mostly held monthly or at no set interval, and the others quarterly or at no set interval; and (3) that nearly all stewards thought all these types of meetings were very important.

71. Most of the full-time officers interviewed dealt with some stewards who met stewards of other unions at their workplaces. Fifty-seven per cent of these officers thought there were advantages from their point of view in stewards meeting in this way, and only 11 per cent thought there were disadvantages. Officers in the two general unions were rather less enthusiastic than those in the other unions. Only 42 per cent of the sample dealt with stewards who took part in "combine" meetings. Similar proportions of officers thought there were advantages and disadvantages of these meetings, as in the case of the single workplace ones.

#### *Why Stewards Give Up the Job*

72. Although stewards who were on the lists we were given by unions and who had subsequently given up the job were interviewed as ex-stewards, it was not possible to calculate from this any overall estimate of shop steward turnover. We did, however, ask management to make an estimate of annual turnover among their stewards. From this information we calculated that works managers on average thought that roughly 13 per cent of stewards were replaced each year, and personnel officers that roughly 17 per cent were replaced.

73. Stewards and union members were asked why the previous steward had given up the job, and ex-stewards were asked why they personally had given it up. There were minor differences between these three groups (Table 4, p. 81), but the majority of reasons given related to stewards changing their job or leaving the firm. Not more than one in seven said the steward was defeated in an election, and 3 per cent or less said he was victimised or dismissed.

#### B. RANGE OF BARGAINING

74. This section deals with the arguments used by stewards to increase their members' earnings, the number of issues on which stewards and members of management negotiate with each other, and the desire on the union side to extend the range of bargaining. Three out of five stewards said they were sometimes able to increase members' earnings as a result of their personal efforts. Production or shift bonuses accounted for nearly a third of the ways in which earnings were increased, and details of other ways are given in Table 5, p. 82.

#### *Arguments Used by Stewards*

75. Stewards and members of management were asked what arguments were used by stewards when trying to increase members' earnings. The spontaneous answers to this question were generally fewer than when certain answers were

prompted.<sup>1</sup> But there was broad agreement among all parties that the most common arguments used were: comparisons with other workers in the same or different places of work, abnormal conditions of work, and change in the nature of the job (Table 6, p. 82). The arguments which stewards thought most effective were compared with those which management found most convincing. Stewards named abnormal conditions of work most often, while management found comparisons with other workers most convincing (Table 7, p. 83).

#### *Stewards' Range of Bargaining*

76. Stewards and members of management were shown a list of 28 issues and asked to say if they had *personally discussed and settled* any of these with the other side. Sixteen per cent of stewards said they did not discuss and settle any issues, and the average number of issues negotiated by all stewards was twelve (Table 8, p. 83). Because some of the issues listed were alternatives they were divided into five main categories. This revealed that almost all who claimed to negotiate had settled some aspect of working conditions as standard practice.<sup>2</sup> The majority had also settled some wage issues and at least one aspect of working hours, such as overtime distribution. Sixty-seven per cent of stewards claimed to have bargained over employment questions, but fewer had discussed and settled disciplinary issues.

77. A steward's range of bargaining seems to be associated with a number of his other activities and attitudes. Stewards with a high range of bargaining tend to be found in large multi-union plants, especially in the engineering and shipbuilding industries, and they are often senior stewards. As compared with stewards with a low range of bargaining, they more often attend steward meetings, more often hold meetings of members at the workplace, and more often can leave the job whenever they want to contact them. This relatively large scope for action on behalf of members is associated with their feeling more often that they are helping management to solve its problems and run the firm more efficiently.

#### *Managers' Range of Bargaining*

78. All levels of management interviewed were shown the same list of issues as used with stewards and asked if they had personally discussed and settled any of them with stewards. Twenty per cent of foremen with stewards had not bargained over any issues, and 4 per cent of works managers who dealt with stewards were in the same position. All but 6 per cent of the personnel officers with responsibility for dealing with unions claimed to have negotiated some issues with stewards. The comparative proportions who had negotiated at least one issue within each of the five groups were:

<sup>1</sup> For example, 22 per cent of stewards mentioned abnormal conditions of work spontaneously, but this increased to 66 per cent when they were asked if they had ever used this argument.

<sup>2</sup> There was a further category of issues discussed and settled "rarely", and in the case of discipline questions this happened more often than as "standard practice".

Groups of Issues	Works Managers	Personnel Officers	Foremen	Stewards
	Per cent	Per cent	Per cent	Per cent
Wages ... ...	82	80	72	83
Working Conditions ...	88	89	79	89
Hours of Work ...	78	73	62	75
Discipline ... ...	76	76	61	67
Employment Issues ...	71	76	43	67
Average number of issues involved ... ...	16	15	7	12

### *Extending the Range of Bargaining*

79. There was disagreement between stewards and members about the existence of issues which the stewards want to settle with management but which management regards as "its own right to decide". Forty-four per cent of stewards said there were such issues, whereas only 10 per cent of members agreed. Both said that the issues most in need of negotiation concerned wages and conditions. Full-time officers were asked a similar question and no less than 76 per cent of them said that there were issues they ought to have been able to discuss with management. Moreover, the main items they wished to discuss concerned financial policy and discipline. Curiously enough, although only a minority of stewards discussed and settled disciplinary questions as standard practice, only 3 per cent said that this was one of the issues which they wished to discuss, if only managerial prerogatives did not prevent them.

### C. PROCEDURE

80. Aspects affecting procedural arrangements which we shall consider include the senior steward system, joint committees at workplaces, the increasing use of procedure, informal contacts and procedures at plant level, and the frequency with which plants are part of a larger group.

#### *The Senior Steward System*

81. As a result of the survey it can be said that the senior steward system—in the sense that some stewards have more influence and facilities than others—is extremely widespread in that part of British industry covered in the sample, and may be regarded as the norm rather than the exception. Sixty-seven per cent of stewards said senior stewards existed in some form in their workplace.<sup>1</sup> Just over a fifth of the sample were senior stewards themselves. Among the establishments at which interviews took place on the management surveys, 68 per cent of the personnel officers said there were senior stewards

<sup>1</sup> There was some variation in this proportion according to type of union, no doubt reflecting variations among industries; thus 88 per cent of AEU, 61 per cent of TGWU, but only 47 per cent of NUGMW stewards said there were senior stewards in their workplace.

there. Even when those establishments which did not have a personnel officer were included,<sup>1</sup> 55 per cent of works managers said they had senior stewards.

#### *Joint Committees*

82. Seventy-one per cent of stewards said there existed at their place of work a "joint committee where stewards meet jointly with management to discuss and settle problems". Where there were such meetings, 69 per cent of stewards said they took part in them. Nearly two-thirds of those who had joint committees said other unions were involved besides their own.<sup>2</sup> The proportion of joint committees was confirmed by the management surveys; among establishments with personnel officers 72 per cent said there were joint committees there, and 54 per cent of all works managers said there were such committees.

#### *Increasing Use of Procedure*

83. More than four in five stewards said there was a nationally agreed procedure for settling disputes that arose at local level in their firm. Asked whether there was a written domestic procedure which covered their place of work or whether they relied on national procedure, 38 per cent said they had a written domestic procedure. Information was sought from management on these points taking into account membership of employers' associations. Among the minority of plants not belonging to an employers' association, 76 per cent of managers said a formal procedure was laid down for dealing with grievances and claims. On the assumption that all members of employers' associations have a formal procedure, it was calculated that 94 per cent of the plants in the sample had a recognised grievance procedure. Where there is no procedure, grievances appear to be dealt with by chats between the man and his foreman or the man and his manager. Fifty-nine per cent of works managers in plants which are members of an employers' association said that, in addition to national procedure, they had their own formal plant procedure.

84. About a third of works managers whose plants are members of an employers' association said that the use of procedure *within their plant* had increased in recent years.<sup>3</sup> Only 3 per cent said it had decreased, and the rest thought it had remained the same. About a sixth of works managers whose plants belonged to an employers' association thought the use of procedure *above plant level* had increased in recent years. Managers' estimates of the proportion of these increases within and above the plant are given in Table 9, p. 84. They were also asked how often they had a dispute which involved reference to procedure above plant level, and nearly all said seldom or never.

#### *Informal Contacts and Procedures*

85. The stewards' survey supports the view that the growth of shop floor bargaining leads to the development of informal contacts which supplement, and to some extent circumvent, more formal methods of approach. Direct evidence of this is provided by stewards' answers to a question asking them if they had ways of approaching management outside the formal procedure; seven out of ten said that "unofficial" channels existed, and almost all of

<sup>1</sup> I.e. mostly the smaller establishments.

<sup>2</sup> This rose to 87 per cent among ETU stewards.

<sup>3</sup> A rather higher proportion of personnel officers thought this.

them thought these were very important. Almost half of those who had a foreman said that in this way they could by-pass him if they needed to, and one in four claimed that they were able to approach top level management without going through the lower levels.

86. Additional evidence indicating some short-circuiting of lower levels of supervision is provided by answers to other questions. When asked who they usually approached first with a union problem, the foreman or the steward, more members replied "the steward" than "the foreman". The stewards' survey contained a similar question, asking if members "ever bring problems to you without first approaching their foreman?" Eight out of ten stewards said "yes".

87. On the management side, 57 per cent of foremen with stewards said the stewards sometimes brought them grievances and claims that had not previously been raised with them by the workers concerned—and 39 per cent of those who had experienced this had agreed to deal with issues raised in this way. When asked what proportion of grievances and claims raised by stewards they settled without reference to a higher level of management, 59 per cent of foremen said all or most. Forty per cent admitted that their permission was not required before stewards were allowed to contact higher management. More importantly, 70 per cent of those who said that their permission was required admitted that in practice there were ways in which their stewards were able to contact higher management without going through them. Three quarters of those who had experienced such "short-circuiting" disapproved of it.

88. Thirty-five per cent of works managers with stewards said that it was not necessary for stewards to get the permission of foremen before they could contact higher management. The great majority admitted that in practice there were ways of "short-circuiting" procedure. Twenty-eight per cent said that they had stewards—for the most part senior stewards—who enjoyed special facilities, and 80 per cent of this group admitted that these stewards were able to contact higher management without going through lower levels. About half of this 80 per cent admitted that such stewards had the right of direct access to works manager level. Yet 95 per cent of managers with stewards claimed that they kept their foremen fully informed of issues decided between them and the stewards, and about eight out of ten foremen with stewards agreed that this happened. Only 12 per cent of foremen said that they usually got to hear about such decisions from the stewards themselves, and only 8 per cent thought that the system did not work out all right in practice.

#### *Frequency of Multi-plant Companies*

89. It is often said that many procedures in this country make no provisions for the multi-plant company, such as British Leyland Motors, which usually has plants in many different areas and a centralised management structure that is not specifically represented in the procedure. But it has usually been assumed that this situation was extremely atypical, and confined to the small minority of giant firms, such as British Leyland. The management surveys cast considerable doubt on this view, and suggest that multi-plant companies are more common than was thought. As many as 65 per cent of the plants where interviews took place were one of a number of plants belonging

to the same firm. All the plants were unionised, the construction ones had not less than 50 employees and all the other ones not less than 150. Among the larger plants which had personnel officers 78 per cent were part of multi-plant firms, but only 31 per cent of the construction plants were in this position.

#### D. EVALUATIONS OF THE SYSTEM

90. A good many questions in all the interviews related to how satisfied the various parties were with the working of the present industrial relations system at workshop level. We did not ask an overall question about satisfaction with "the system" because it would have had very little meaning. Instead we asked various specific questions about how each of the parties saw their workshop role and about their opinions of the other parties with whom they came into regular contact. On most of the surveys we brought together a small number of questions which seemed to be most important in the roles and attitudes of the parties concerned, and used these to form indices of satisfaction with the system. Although we put the same question to the different parties where possible, we could not use the same questions in each index because some questions affected the satisfaction of some of the parties but not of others.<sup>1</sup> The indices, therefore, can, strictly speaking, only be used for direct comparisons of one group of stewards with another, one group of managers with another, and so on, and *not* for comparisons between the parties.<sup>2</sup>

##### *Stewards*

91. The following minorities were dissatisfied with specific aspects of the system:

- 6 per cent were dissatisfied with opportunities to contact members at the workplace.
- 8 per cent thought management were unreasonable in dealing with issues raised.
- 9 per cent were dissatisfied with facilities to deal with grievances and claims.
- 11 per cent considered their management inefficient.
- 8 per cent said their management's attitude towards trade unions was not reasonably fair.
- 6 per cent did not consider their management reasonably fair in dealing with workers who break rules.

The question arises: do each of these minorities consist of roughly the same stewards or is dissatisfaction spread thinly but fairly evenly among all stewards? The answer lies somewhere between the two—27 per cent of all stewards had one or more items of dissatisfaction among the six. Perhaps a better way of interpreting this is to say that 73 per cent of all stewards had no dissatisfaction with any of the six items listed. This is not to say that the 73 per cent had no

<sup>1</sup> For example, the reasonableness or otherwise of stewards' demands would no doubt affect managers' satisfaction with the system, but the question would hardly apply to the stewards themselves.

<sup>2</sup> This does not prevent one from drawing some broad conclusions about the extent to which *all* the participants interviewed are satisfied with "the system".

specific points of criticism or that they were satisfied their bargaining role was all it should be.<sup>1</sup> But clearly there is no evidence of a widespread feeling among stewards that the system is not working reasonably well or that the attitude of management is not on the whole fair.

92. A small minority (3 per cent) of stewards were generally dissatisfied with the system, in that they gave "dissatisfied" answers on four or more of the six questions. In Table 10, p. 85 the distribution of satisfaction is given for various groups of stewards. There was very little difference according to the union or the industry of the steward, although the chemicals industry seemed to have an above average proportion of satisfied stewards.

93. The degree of satisfaction increased steadily with age. This is comparable with studies of job satisfaction which show that it generally increases with age. The stewards who had not experienced a strike at their workplace were much more likely to be completely satisfied than those who had experienced strikes, although only 3 per cent in each case were dissatisfied with four or more of the six aspects. The only substantial minority of dissatisfied stewards (11 per cent) seemed to be clustered in those plants where other forms of pressure besides strikes had been used five or more times during the last 12 months. These stewards are probably in plants where a fairly wide range of issues is the subject of friction between them and the management and this gives rise both to the sanctions used against management and the general dissatisfaction with the system. Frequent grievances also result in the frequent appearance of full-time officers in the plant which, again, is related to lower satisfaction of stewards.

#### *Full-time Officers*

94. Four of the six questions in the stewards' index were also put to officers, and their replies are given below, with those of stewards in brackets:

- 21 per cent (9 per cent of stewards) thought the procedures for dealing with grievances and claims in their industries were not good.
- 8 per cent (11 per cent) thought management was on the whole inefficient.
- 8 per cent (8 per cent) thought management's attitude towards trade unions was not reasonably fair.
- 3 per cent (8 per cent) thought that managements were unreasonable in dealing with issues raised.

It must be stressed that these percentages are not strictly comparable, since stewards were talking about their particular plant, and officers were generalising about a number of plants with which they had contact. Nevertheless, it is reasonable to conclude from these comparisons that officers are generally less happy about procedures and stewards slightly less happy about the attitude of management. On management's efficiency and attitude to unions there is close agreement. Two other questions put to officers but not to stewards were included in the officers' index:

- 19 per cent thought they were not given sufficient access to members and stewards at the place of work.
- 10 per cent thought that officers had insufficient influence over the activities of stewards and members.

<sup>1</sup> For example, 44 per cent of stewards thought there were questions they ought to be able to discuss with management but which the latter regarded as their own right to decide.

95. Fifty-four per cent of officers were satisfied with all six items, but only 2 per cent were dissatisfied with four or more (Table 11, p. 85). The only big union difference was that only 20 per cent of the small sample of AEU officers were satisfied on all counts.<sup>1</sup> As with stewards, the degree of satisfaction increased steadily with age. Officers responsible for larger numbers of plants and stewards were generally less satisfied than those responsible for smaller numbers.

#### *Works Managers and Personnel Officers*

96. The questions used in the works managers' and personnel officers' indices are the same, and so a direct comparison of their satisfaction is possible:

- 15 per cent of managers (26 per cent of personnel officers) would like to see full-time trade union officers play a more important part in plant negotiations.
- 6 per cent (1 per cent) thought stewards were inefficient as workers' representatives.
- 3 per cent (10 per cent) thought the procedure for dealing with grievances and claims did not work well.
- 3 per cent (1 per cent) thought stewards' demands were never reasonable.

Thus personnel officers seemed to be more concerned about formal procedure. Seventy-nine per cent of managers were satisfied with all four aspects included in the index, as were 68 per cent of personnel officers.<sup>2</sup>

97. In both groups of management those in "other manufacturing" industries were generally more satisfied than those in metal handling industries (Table 12, p. 86). Those who had experienced strikes and other forms of pressure were less satisfied than those who had not. Those who thought there were ways in which the organisation of work could be improved if they were free to arrange their labour force were also less satisfied. Both the feeling that there were inefficient labour practices in the plant and the presence of a closed shop seemed to affect managers' satisfaction adversely, the former being stronger than the latter.

#### *Foremen*

98. Three of the questions asked of foremen were also put to works managers and personnel officers and the answers of foremen, with those of works managers and personnel officers in brackets, were as follows:

- 7 per cent (3 per cent of managers, 10 per cent of personnel officers) thought the procedure for dealing with grievances and claims did not work well.
- 4 per cent (6 per cent, 1 per cent) thought stewards were inefficient as workers' representatives.

<sup>1</sup> This is probably due partly to the much heavier workload of AEU officers, each of whom was responsible on average for 477 stewards, compared with 120 for TGWU officers and 172 for all officers in the unions sampled. Dissatisfaction with procedure in the engineering industry may also be a factor.

<sup>2</sup> Two of the questions in the index referred to stewards, and the index was therefore not applied to the 58 managers and 3 personnel officers who did not have stewards in their plant.

1 per cent (3 per cent, 1 per cent) thought stewards' demands were never reasonable.

Two further questions were included only in the foremen index:

7 per cent thought complaints and claims were not dealt with reasonable speed.<sup>1</sup>

7 per cent were dissatisfied with the amount of authority they had to deal with issues raised by stewards.

99. Eighty-two per cent of foremen were satisfied on all five counts (Table 13 p. 86). Again, those in metal handling industries were rather less satisfied than those in "other manufacturing". The foremen who thought that the work done by the people they supervised could be better organised were less satisfied than those who thought it was well enough organised already. There was a rather smaller tendency for those who had experienced forms of pressure other than strikes to be less satisfied than those who had not had that experience.

#### *Union Members*

100. Union members are not so directly involved with all the other parties in the industrial relations system, and so the questions had to be asked on a rather different level. Two comparisons are, however possible: 18 per cent of members, compared with 7 per cent of foremen, thought that complaints and claims were not handled with reasonable speed; and 4 per cent of members, compared with 8 per cent of stewards and full-time officers, thought that management's attitude to trade unions was not reasonably fair. Members thus seem less concerned about management's attitude to the unions than about delays. Four-fifths of those members who think that complaints and claims are not handled with reasonable speed consider that this is the fault of higher management, and the remainder that it is the fault of the union.

101. Seventy-nine per cent of members were satisfied with the way problems were dealt with where they worked, 10 per cent were satisfied in some ways but not in others, and 9 per cent were dissatisfied. Ninety-five per cent said that it was easy to approach their shop steward whenever they needed to, and 70 per cent met their steward every day although not necessarily on union matters. Although 89 per cent of members claim to get some information about what is happening in their union, 23 per cent say that they do not get enough information about what their union is doing. The shop steward is a very close second to the union journal in providing members with information about what is happening in their union, and twice as important as the branch:

	Per cent				
Union journal	...	...	...	...	...
Shop Steward	...	...	...	...	...
Circulars	...	...	...	...	...
Notice board at work	...	...	...	...	...
Branch Meetings	...	...	...	...	...
Talk at work	...	...	...	...	...
Meetings at work	...	...	...	...	...

<sup>1</sup> A similar question was included in the managers' schedule but was not regarded as appropriate to an index of their satisfaction with the system.

## *Summary*

102. This section has covered a large amount of ground and a brief summary can refer only to a few of the main findings. The section on shop stewards shows that the typical steward went through no form of election or was the only candidate. He has a constituency of about 60 members and spends 6 hours a week as a steward. He also generally regards facilities for contacting members as good, is more likely than not to have meetings with other stewards in his workplace, and will give up as steward only if he changes his job or leaves the firm. About one in six stewards do not settle any issues with management, but the average number settled is seven. Those with a high range of bargaining are often senior stewards in large multi-union plants. Nearly a half of the stewards, but only a tenth of the members, wanted to settle further issues with management. The senior steward system was found to be widespread, as were joint committees of stewards and management. Most stewards and managers said there was a procedure for settling disputes in their plant, and more than half of the federated plants had their own formal plant procedure. A third of managers said the use of procedure has increased in recent years, but there is also ample evidence of the growth of informal contacts and procedures at shop-floor level. Finally, indices of general satisfaction with workplace relations show that, while certain aspects are more irksome to some of the participants than to others, most are reasonably satisfied with the system.

## **3. The Influence of Shop Stewards**

103. The influence of stewards may be considered from four points of view: their influence on their members, their dealings with management, the beliefs about their militancy relative to that of their members, and comparative views on the value of their work.

### *Stewards' Influence on Members*

104. Two questions which were put to shop stewards throw light on this issue. First, stewards were asked if they felt that they could always get their members to see things their way when a particular dispute arose, and get them to do what they (the stewards) believed was right. Forty-three per cent said they could, 17 per cent said they could sometimes, and 37 per cent said they could not ("everyone has his own opinion"). Confidence in being able to persuade members was slightly higher in the general unions. These answers may be directly compared with a question addressed to members asking whether the steward generally decided himself what action should be taken over a complaint or claim, or if this was generally decided by the majority of members. Two-thirds of members thought that the majority decided, and only 22 per cent thought it was the steward. Second, when stewards were asked if they had ever refused to raise an issue with management on behalf of their members, 34 per cent said they had, although only 2 per cent of members claimed that this had happened to them.

105. As noted in paragraph 101, 40 per cent of union members get their information about what is happening in the union from their steward. Slightly more members get such information from their union journal, but when it is borne in mind that 54 per cent of the members who see a union journal get it from their steward, the steward is clearly a main source of keeping

members informed. No doubt many stewards are involved in the circulars and notices on boards which are other important sources of information for members, only 20 per cent of whom learn about what is happening in their union from branch meetings.

#### *Dealings with Management*

106. Most of the information concerning the extent and type of stewards' orientation to management comes, naturally enough, from the management side. But one question—"whose point of view are stewards most inclined to take?"—was also put to union members with reference to their own steward:

	Works Managers	Personnel Officers	Foremen	Union Members
Management	Per cent	Per cent	Per cent	Per cent
Workers	5	2	3	5
Fifty-fifty	58	61	51	70
Don't know/not answered	35	35	43	10
	2	2	3	15

The answers of the various levels of management were remarkably similar, but more union members thought their steward took the workers' point of view and fewer thought he took a "fifty-fifty" view.

107. Two-thirds of works managers and four-fifths of personnel officers agreed that senior stewards differed from other stewards. Nearly nine-tenths of managers who thought this also thought that they were more able and had more influence than ordinary stewards. Three-fifths of both groups thought them easier to deal with and other differences noted by minorities were that they were more experienced in negotiation and union matters and better informed.

108. A set of comparable questions was asked to probe the attitude of management personnel towards each other when dealing with shop stewards and trade unions. Thus various levels were asked whether those above or below them were more or less ready to agree to union demands. Those who answered did so as below:

	Works Managers	Personnel Officers	Foremen
Higher management more ready to agree ... ...	Per cent	Per cent	Per cent
Lower management more ready to agree ... ...	28	44	36
About the same ... ...	20	17	20

It is notable that in each group about three out of four of those who answered believed that the foremen are as tough as, or even tougher than, top management. Also, personnel officers were more sceptical of the relative toughness of top management than works managers.<sup>1</sup>

109. Another set of questions concerned the extent to which one level of management felt that the other appreciated its problems in dealing with stewards. Works managers and personnel officers were asked if foremen appreciated higher management's problems, while foremen were asked if higher management appreciated *their* problems. Results may be summarised thus:<sup>2</sup>

	Works Managers	Personnel Officers	Foremen
	Per cent	Per cent	Per cent
Fully appreciate our problems	45	29	65
Partly appreciate them	46	60	26
Do not appreciate them	5	8	6

Two points are worth noting. First, rather fewer managers think their problems are fully appreciated than foremen—and this is especially so in the case of personnel officers. Second, very few members of any group think the others do not appreciate their problems at all.

110. Three final evaluation questions were asked of foremen alone. First, 53 per cent of foremen with stewards were very satisfied with the amount of authority they had to deal with issues raised by stewards; 39 per cent were fairly satisfied and 7 per cent were dissatisfied. Second, one in five foremen said there were questions raised by stewards which they felt they ought to be free to deal with but which they had to refer to higher management. Third, 40 per cent of foremen said higher management was very reasonable in dealing with issues raised by unions, 43 per cent said they were fairly reasonable and 10 per cent thought they were too lenient.

#### Relative Militancy

111. Most of the groups taking part in the survey were asked whether they thought stewards were more or less militant than their members.<sup>3</sup> A five-way comparison of results reveals some interesting differences:

	Works Managers	Personnel Officers	Foremen	Stewards	Full-time Officers
	Per cent	Per cent	Per cent	Per cent	Per cent
<i>Stewards are:</i>					
Less militant than members...	46	43	28	15	9
More militant than members	16	24	35	35	44
About the same ...	38	33	35	48	44
Don't know/not answered ...	—	—	2	2	3

<sup>1</sup> Moreover, a comparison of the views of personnel officers and *their* works managers maintains this contrast, which suggests it may be rooted in a difference of roles.

<sup>2</sup> Percentages relate to work managers, personnel officers and foremen in plants with stewards.

<sup>3</sup> In cases where informants queried the meaning of "militant", interviewers substituted "keen on taking action for the union".

In all cases a majority thought stewards were *not* more militant than their members, but managers and personnel officers were much more emphatic than full-time officers and stewards themselves about this. However, works managers and personnel officers agreed by a small majority that *senior* stewards were more militant than ordinary stewards.

112. The relative lack of stewards' militancy is also confirmed by the question put to members: "How ready do you think your shop steward is to urge strikes or similar action when he is trying to get management to agree over some dispute?" Seventy-two per cent said "not at all ready" and only 4 per cent said "very ready".

113. A further question put to managers and foremen had a bearing on stewards' militancy. When asked how much notice stewards took of union policy and instructions, their answers were remarkably similar.<sup>1</sup>

	Works Managers	Personnel Officers	Foremen
	Per cent	Per cent	Per cent
A lot of notice ...	41	46	37
A fair amount of notice ...	36	35	45
A little notice ...	17	15	14
No notice at all ...	2	—	1

#### *How Stewards' Work is Regarded*

114. Stewards themselves were asked how they thought their work was regarded by their members, their union and their management, and other parties to the system were asked for their views of stewards. Just over a third of stewards thought most members appreciated what was done for them, but a quarter thought most members took it for granted. Most stewards thought their work was very or fairly well appreciated by their union, and only 15 per cent thought it was taken for granted. A similarly high proportion (79 per cent) thought that management accepted their work willingly, 17 per cent that they did so unwillingly, and the rest that it was either ignored or not accepted at all.

115. Nearly all the full-time officers interviewed were enthusiastic about the work of stewards and the only qualification a minority of them made was that stewards need more training. Three-quarters of works managers thought that stewards were very or fairly efficient as workers' representatives, 15 per cent that they were not very efficient, and 6 per cent that they were inefficient. Personnel officers and foremen held views in similar proportions.

<sup>1</sup> Percentages relate to works managers, personnel officers and foremen in plants with stewards.

### *Summary*

116. Shop stewards were found to be the main source of members' information about union affairs, but were by no means always able to persuade members to accept their point of view when a dispute arose. Although 70 per cent of members thought that stewards usually took the workers' point of view rather than that of management, only a third of stewards said that most of their members appreciated what was done for them. Four-fifths of stewards thought their work was accepted willingly by managers, and three-quarters of managers thought stewards were efficient as workers' representatives. The management view of stewards was that generally they *did* take notice of union policy and instructions, and were not more militant than their members.

In all cases a majority thought stewards were *not* more militant than their members, but managers and personnel officers were much more emphatic than full-time officers and stewards themselves about this. However, works managers and personnel officers agreed by a small majority that senior stewards were more militant than ordinary stewards.

112. The relative lack of stewards' militancy is also confirmed by the question put to members: "How ready do you think your shop steward is to urge strikes or similar action when he is trying to get management to agree over some dispute?" Seventy-two per cent said "not at all ready" and only 4 per cent said "very ready".

113. A further question put to managers and foremen had a bearing on stewards' militancy. When asked how much notice stewards took of union policy and instructions, their answers were remarkably similar.<sup>1</sup>

	Works Managers	Personnel Officers	Foremen
	Per cent	Per cent	Per cent
A lot of notice ...	41	46	37
A fair amount of notice ...	36	35	45
A little notice ...	17	15	14
No notice at all ...	2	—	1

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## CHAPTER 3

### THE ROLE OF TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

#### 1. Unions and Workshop Relations

117. Information about unions and workshop relations may be dealt with under the following headings: the role of full-time officers in workplace bargaining, their comparative importance, the existence and use of workplace-based branches, the use of branches in general to discuss workplace matters, and the comparative branch involvement of the parties surveyed. Sections are added on the closed shop and the advantages and disadvantages of union membership.

##### *The Role of Full-time Officers*

118. The survey of officers revealed that there were wide variations in the ratio of stewards to officers and corresponding variations in the proportion of stewards they contacted over a given period. The AEU was the union with the fewest officers to stewards and the lowest rate of contact between them (Table 14, p. 87). They also took part in fewer meetings with stewards inside the plant, and appeared to have the greatest difficulties in obtaining management permission for such meetings. Yet they were the union with the highest proportion of officers organising meetings of stewards from particular workplaces or industries. Not unnaturally officers with the smallest number of branches and plants to attend to had the highest attendance records, and the AEU officers recorded generally lower scores than officers from other unions. A mere 15 per cent of their officers had visited all the branches they were responsible for during the previous twelve months, compared with about half of all other officers.

119. Over half the sample of stewards said that their local full-time officer held regular meetings with shop stewards,<sup>1</sup> and only two out of ten had not seen their officer on union business in the last twelve months. Nearly half the sample said they had had at least five meetings with their officer in the last twelve months. Only 6 per cent of stewards said they experienced any difficulty in contacting their full-time officer as and when they needed to, although a further 13 per cent said they experienced delay sometimes.

120. Questions were also asked of managers about the number of settlements with full-time officers, and the frequency of contacts with them. Forty-five per cent of works managers had never settled a single grievance or claim with a full-time union officer and 34 per cent had had no contact with them during the previous twelve months. On the other hand, 4 per cent said that all their settlements involved a full-time union officer and 8 per cent had been in contact with one ten times or more in the last year. Personnel officers

<sup>1</sup> Among AEU stewards 77 per cent said this, but among ETU and AUBTW stewards only 31 per cent.

as a group settled more issues with union officers and saw them more frequently. However, when the position of personnel officers was contrasted with the position of their own works managers most of these differences disappeared.<sup>1</sup>

#### *The Relative Importance of Full-time Officers*

121. Despite the relative infrequency of many stewards' contacts with their full-time officers, less than 1 per cent thought that their local officer played an "unimportant" part in local negotiations. On the contrary, 68 per cent said he played a "very important" part, and only 27 per cent said a "not very important" part. There were only minor fluctuations between unions, despite the wide variations in frequency of contact mentioned above. Here the comparison with the full-time officers' survey is especially revealing, because 87 per cent of officers thought that they had sufficient influence over their shop stewards and the proportion was above 80 per cent in all unions. Asked if they would like to play a more important role in local negotiations, 60 per cent replied that they already played an important part, 16 per cent said "no" and only 24 per cent said "yes". When stewards were asked if they wished full-time officers to play a more important part their answers were not dissimilar; 39 per cent said they already played an important part, 24 per cent said "no" and 34 per cent said "yes". Obviously the commonly expressed view outside industry—that local union officers play at most a marginal role in workshop relations, and that this must be remedied—does not find much support on the workers' side among those who could be said to be in the best position to judge.

122. Managers were also asked how important they thought full-time officers were in industrial relations in their plant. Only 18 per cent of works managers thought they were very important, 33 per cent said fairly important and 49 per cent said not important. Personnel officers, as a whole, tended to regard full-time officers as more important than did works managers. Managers were then asked to compare the importance of full-time officers within their system of negotiation and representation with their own shop stewards. Thirty-six per cent of works managers said that they were relatively unimportant, 38 per cent quite important and 25 per cent very important. Again personnel officers had a rather higher estimate of the relative importance of full-time officers.

123. Questions were also asked about management preferences in dealing with full-time officers rather than stewards. In plants with stewards, 70 per cent of works managers and 74 per cent of personnel officers preferred to deal with shop stewards, if both stewards and full-time officers were equally competent to settle an issue. This preference for stewards was even stronger in the metal handling industries. Those who had not said that officers were very important in their system of industrial relations were asked if they would like to see them become more important. Only 15 per cent of these works

<sup>1</sup> This indicates that the differences between personnel officers and works managers outlined above are probably due to inter-plant differences, rather than differences of role, i.e. that there is more contact with union officers both at works manager and personnel officer level within the larger plants.

what their union did for them. The most common criticism was that the union ought to do more to improve pay and conditions. On average members paid a subscription to their union of just over 2s. a week. Eighty-two per cent were prepared to pay higher subscriptions, if provided with a good reason for doing so. Nearly half of those who were prepared to pay higher subscriptions said they would agree to them being doubled if the result was "a more efficient union offering better services". Another 19 per cent would agree to them being increased by 50 per cent on the same lines. Only 15 per cent said they would not be prepared to see subscriptions increased for these purposes.

132. Nearly half the non-unionists had been members of a union in the past and most of them said they dropped out because they left the firm or changed their job; 17 per cent said they left because they were dissatisfied, or after a dispute. A quarter said there were people where they worked doing their kind of job who were union members. Of this quarter, 21 per cent were potential union members, i.e. they said they would join a union if asked. Among the 75 per cent who work in places where there are no union members doing their kind of work, rather more than a third said they would join a union if one existed. Almost a half of this group said that they did not think their employer would mind if they joined a union but about a quarter thought that their employer would be against it, and another 9 per cent that he would accept such a development reluctantly. Twenty-nine per cent of non-members working where there are no trade unions at all said their employer would be against them joining unions. A quarter said their employer would be against recognising any union.

133. Asked whether in general they had a favourable or unfavourable impression of union activities, 47 per cent of non-members replied favourable, 37 per cent unfavourable, and 16 per cent did not know. The most common reason for having a favourable impression was that a union improves its members' pay and conditions. The main reasons given for unfavourable impressions were that unions were too powerful, or that the informant disapproved of strikes.

#### *Summary*

134. Stewards and full-time officers were generally satisfied with each other's contribution to workshop relations. Over half of the stewards had regular meetings with their officers. While a third wanted their officer to have a bigger part in local negotiations, two-thirds thought he played a very important part already. Only a quarter of the officers themselves wanted to play a bigger part in local negotiations and four out of five thought they had sufficient influence over stewards. Managers were less enthusiastic about the role of officers, probably because of their infrequent contacts with them. Nearly half had never settled a grievance or claim with an officer, and a similar proportion believed that officers were not important in workshop relations. Over two-thirds would rather deal with a steward than an officer, if both were equally competent. Branch meetings were often used to discuss workplace grievances and claims but less often to decide workplace policy. Stewards' attendance at branch meetings was considerably higher than that of members. Most union members knew of no disadvantages of membership, and only

15 per cent of those in a closed shop would leave the union if membership were not a requirement of the job. Nearly a third of managers thought it helpful if workers had to belong to a union, and more non-members had a favourable rather than an unfavourable impression of union activities.

## 2. The Extent and Consequences of Multi-unionism

### *The Extent of Multi-unionism*

135. On the evidence of the survey multi-unionism in the sense of more than one union representing manual workers at any one workplace is the rule rather than the exception in that part of British industry covered in the sample. Eighty-two per cent of stewards said that they were employed in this kind of multi-union situation, and so did 60 per cent of the members. On the other hand multi-unionism in the sense of more than one union competing for workers in the same grade of work is the exception rather than the rule. Only 31 per cent of stewards claimed to be in this sort of situation, and a mere 16 per cent of members.<sup>1</sup> Another index of the prevalence of multi-union grades is provided by the full-time officers: 91 per cent said that there were other unions in their area organising the same types of worker as they organised. Further evidence about the extent of multi-unionism is available from the management surveys. On average three unions had representatives in each plant where there were stewards, although in a third of such plants only one union was represented. In 28 per cent of plants with stewards there were four or more unions with representatives.

### *The Consequences of Multi-unionism*

136. The most obvious effect of multi-unionism is that it makes inter-union co-operation essential. One evidence of this is the fact that two-thirds of management-steward committees are multi-union in character. Another result is the prevalence of multi-union shop steward meetings. Thus 39 per cent of stewards said they had attended workplace meetings with stewards of other unions, and 12 per cent said they had been to meetings attended by stewards of different unions from different places of work. A fifth said they knew of stewards from their workplace who had attended such "combine" meetings (Table 3, p. 81). Those figures may be compared with the 42 per cent of full-time officers who said that at least some of their stewards had attended "combine" meetings.

137. Another effect of multi-unionism is the increase in grievances and claims affecting members of more than one union. When stewards in multi-union situations were asked how often multi-union issues arose only 21 per cent said "never", 22 per cent said "very often", 19 per cent "fairly often" and 37 per cent "seldom". Fifty-four per cent of works managers and 22 per cent of foremen sometimes dealt with grievances and claims involving more

<sup>1</sup> The main reason for the difference between the answers of stewards and members on both multi-union questions is probably the much wider union basis of the members' survey. For there is evidence to suggest that multi-unionism is most common among workers organised by unions such as the general unions and the AEU which dominate the stewards' survey. It is also probable that more members than stewards are ignorant of multi-unionism where it exists.

than one union, although most of them said that this did not happen frequently. Finally, 61 per cent of full-time officers said that the issues they discussed with management concerned other unions "very" or "fairly" often.

138. Another possible consequence of multi-unionism is multi-union representation, and there is substantial evidence of this in the stewards' survey. Forty-seven per cent of senior stewards in multi-union situations said they sometimes acted on behalf of another union's members. Forty-one per cent of stewards without senior stewards in multi-union situations said that they also sometimes acted in this way. A quarter of the works managers<sup>1</sup> said that stewards in their plant sometimes acted on behalf of members of unions other than their own, and two-thirds of these managers said that stewards who sometimes acted on behalf of members of other unions were senior stewards. The proportion of personnel officers saying stewards had multi-union activities was higher than that of works managers (42 per cent compared with 25 per cent) but only 18 per cent of foremen said that their stewards acted in this way. Some multi-union issues are no doubt settled without the participation of the foremen.

139. The information gained from members about the extent of multi-union representation where they worked is probably more indicative of their own knowledge or ignorance than of the true situation. Thus only 6 per cent of members who had a steward (or about a third of members in multi-union workplaces) said that he sometimes acted on behalf of members of other unions. Presumably the 2 per cent of members who said that members of unions other than their steward's own took part in electing him may be taken as a more reliable estimate of the situation in this respect—after all, most of those who answered this question probably participated personally in the election. However, some of the variation in the answers of stewards and members on the extent of multi-representation may be related to the difference in the base of the sample in each case. For it must be remembered that in the stewards' sample the general unions are very heavily represented, and it seems plausible to assume that they are to be found in areas where multi-unionism is particularly prevalent.

#### *Problems Caused by Multi-unionism*

140. Those stewards who said issues involving other unions arose very or fairly often were asked if it would help if fewer unions were involved. A half said it would, 8 per cent said it would not, and the rest thought it would make no difference. These figures may be compared with the 80 per cent of union officers who often discussed multi-union issues who thought it would help to solve such issues if fewer unions were involved. On the other hand, management's assessment of the problem was in closer agreement with that of stewards—42 per cent of works managers and 49 per cent of personnel officers who dealt with multi-union issues frequently said it would help in dealing with these issues if fewer unions were involved. Multi-union representation did not appear to result in much competition between unions for

<sup>1</sup> Thirty-eight per cent, if the analysis is restricted to those managers who have multi-union representation in their plants.

workers doing similar work—only 4 per cent of foremen claimed that there was competition between unions for the workers they supervised.

#### *Summary*

141. The survey showed that most plants had more than one union representing manual workers, but it was much less usual to have unions competing for workers in the same grade of work. The need for inter-union co-operation in these situations was shown by the two-thirds of management-steward committees which were multi-union in character, and by the prevalence of multi-union steward meetings. It was found that many stewards sometimes acted on behalf of another union's members. Multi-union grievances and claims arose fairly often, and about half of all those concerned (and most full-time officers) thought it would help if fewer unions were involved.

### **3. The Role of Employers' Associations**

142. In the management survey 81 per cent of plants were members of an employers' association. Seventy-one per cent of members had been in contact with their association during the last twelve months; 15 per cent had contacted them fifteen times or more. The most frequent reasons for contact were advice on wage issues and other trade union matters.

143. The great majority of managers thought they got some benefit from membership. The most frequently mentioned advantages concerned the need for some form of collective action among employers, advice on trade union matters and technical subjects, and the opportunity which membership provided to make representations to government. Only 20 per cent of works managers in membership thought that there were any disadvantages. These mainly related to the limitations which membership placed on the firm's freedom of action and the need to conform to majority decisions. A few mentioned delays in the process of negotiation. Asked whether they had any specific criticism of their association, only 26 per cent answered "yes". Criticisms were principally directed at the fact that their association was too weak and that it could not enforce decisions.<sup>1</sup> Naturally enough, suggestions for the improvement of associations tended to be the obverse of the criticisms: closer control, the need to enforce decisions, etc.

144. Several questions were designed to throw light on the influence and power of employers' associations over their members. To begin with association members were asked whether they thought that their association had a lot of power over members, a fair amount of power, or no power at all. Eleven per cent thought their association had a lot of power, 54 per cent said a fair amount of power and 25 per cent said no power at all. Those who said their association had no power or only a fair amount were asked if they thought it should have more. Only 21 per cent said "yes". The general pattern of replies was the same in all industries.

145. Managers in plants which either belonged, or had belonged, to an association were then asked if they had ever wanted to make a concession

<sup>1</sup> About 45 per cent of managers who had specific criticisms mentioned considerations of this sort.

to the unions which their association did not approve of. Eleven per cent said this had happened. Asked whether, in spite of the opposition, they had made the concession in each case, three-fifths replied that they had. Those who had made such concessions were then asked what their association had done about this decision. The great majority replied that nothing had been done. However, three personnel managers claimed that their firm had either resigned or been thrown out of the association. Finally, those who had left associations for any reason were asked why this was so. Six firms were involved. One left the association because of cost, another because of a disagreement and the rest because of the reorganisation of the firm.

#### *Summary*

146. While most managers appreciate the benefits of collective action among employers and advice on trade union matters, the evidence is that employers' associations have little influence on industrial relations at plant level. Although a few managers thought membership limited a firm's freedom of action and imposed a need to conform to majority decisions, the bulk of what little criticism there was related to the weakness of associations in enforcing decisions. Three-fifths of managers who had wanted to make a concession to the unions of which their association disapproved had in fact made the concession despite this opposition, and there seemed to be little enthusiasm among members for increasing the power of associations.

## CHAPTER 4

### OTHER ASPECTS OF WORKSHOP RELATIONS

#### 1. Systems of Wage Payment

147. A series of questions was put to stewards, workers and management on amounts and systems of wage payment and attitudes to these systems. Unfortunately, some of the questions concerning relative amounts do not appear to have been understood by all informants in the ways that were intended, as a result of which the answers obtained are rather suspect. It is notoriously difficult to get satisfactory information about comparative rates and earnings from a large-scale sample survey which allows only a few stereotyped questions to be asked of each informant. Nevertheless, we believe the answers to questions on systems of payment and attitudes to those systems to be reasonably reliable, and present the main findings below.

#### *Payment by Results*

148. Stewards were first asked what proportion of their members were employed on some system of payment by results, which was defined as any system of bonus payments apart from time rates. A quarter of the stewards said all their members were on payment by results, but more than half said none were. The frequency of payment by results was about average in the three big unions, lower in the ETU, and higher in the NUR (Table 16, p. 88).

149. Those stewards who said that all or most of their members were on payment by results were asked whether they would be in favour of replacing that system by some other method. Just over a half said they would be. Those who were in favour of changing *from* payment by results criticised it mainly because it led to inequalities in pay and made earnings fluctuate. Only 30 per cent of those stewards with a minority or none of their members on payment by results would like to change *to* it. The majority of those wishing to change gave as their reason the incentive to make more money.

150. In 79 per cent of plants in the management survey some workers were on systems of payment by results, and in 90 per cent of these cases it applied to all or almost all manual workers. Sixty-three per cent of foremen said that all or most of the workers they supervised were on systems of payment by results. A third of managers with experience of payment by results would like to change it for another system of payment. A quarter of foremen with all or almost all their workers on payment by results would also like to change it. Yet a third of managers who had not experienced systems of payment by results were in favour of introducing them—and so were 46 per cent of foremen with few or no workers employed on such a system.

151. Foremen who wanted a change were asked why. Many of those who wished to abandon piece work spoke of its unfairness and tendency to encourage shoddy work. Many of those who wished to introduce it stressed

element of opinion has crept into an apparently factual question.<sup>1</sup> But a majority of both stewards and managers agreed that the last strike had only lasted a day or less and that the decision to strike was taken at a shop floor meeting. The greater proportion of stewards than of managers saying a senior steward was sent for may be due to the large-union bias in the stewards' sample. Finally, most stewards thought the last strike had helped those who took part in it to achieve a more favourable settlement, three-fifths of members agreed with them,<sup>2</sup> but only one-fifth of managers and foremen.

#### *The Experience of Other Forms of Pressure*

159. The use of threats to strike and overtime bans had each been experienced by about a third of stewards and managers, and rather smaller proportions had also experienced working to rule and "go-slows" (Table 18, p. 91). The members' figures were lower, but presumably they had less knowledge of some cases. About three-fifths of stewards and managers had not been involved in the use of such pressures during the last twelve months, but just over 10 per cent of each sample had been involved three or more times. Those who had experienced both a strike and at least one other form of pressure<sup>3</sup> were asked which they thought was more effective. Two-thirds of stewards said strikes were, but less than a third of managers and foremen agreed.

#### *Attitudes Towards Sanctions*

160. Two kinds of question were asked to discover attitudes towards sanctions. First, informants were asked to say whether they thought workers were justified in withdrawing their labour, or using other forms of pressure in breach of procedure, in response to certain actions by management. In each case the results were broadly the same, in that there was majority support for strikes in certain circumstances (such as a breach of procedure by management, or in order to prevent unfair dismissal), but only a minority were prepared to support unconstitutional action "in any situation where they think that by acting in this way they can get what they want". Rather more stewards (23 per cent) supported unqualified unconstitutionalism than full-time officers (11 per cent), but in this they were close to the views of their members (27 per cent). The attitudes of members and stewards towards the justifiability of strike action in different circumstances were in fact remarkably alike (Table 19, p. 91).

161. There was less apparent identity of response to the second type of question, which concerned the general utility of strikes. For only 43 per cent of full-time officers were prepared to say that workers could not obtain quicker and better results by using strikes or other forms of pressure before they exhausted procedure, whereas 62 per cent of stewards thought they could not get better results from their management in this way. Members were asked whether they thought unconstitutional action or "going through pro-

<sup>1</sup> This is supported by the intermediate position of the foremen employed in the same plants as managers, but only 45 per cent of whom said the last strike involved under 100 workers.

<sup>2</sup> Two-fifths of non-unionists who had experienced strikes also agreed with them.

<sup>3</sup> These included 32 per cent of stewards in the sample.

cedure" achieved more satisfactory results on the whole, and 82 per cent of them opted for procedure.

162. However, it is arguable that these differences do not necessarily spring from basic differences in the attitudes of officers, stewards and members towards unconstitutional sanctions; they may well have more to do with differences in their relative experience of such sanctions, and with the slightly different form in which questions had to be posed. It should be noted that full-time officers were asked to say whether they thought that workers could obtain advantages from using unconstitutional action, and presumably so long as they had experience of any who had done so they were precluded from answering "no".<sup>1</sup> Stewards, on the other hand, were asked only to calculate the effect of unconstitutional action *on their own management*—since it was thought that this was what they knew most about. This may have resulted in the high proportion of those who worked in firms where there was no experience of strike action answering the question in the negative. In the case of union members it should also be pointed out that their question asked for an overall answer; thus they were precluded from qualifying their reply by phrases such as "in some circumstances". In general, it can be said that members and stewards who have experienced strikes and other forms of pressure tend to think them more effective than those who have not had such experience.<sup>2</sup>

163. Finally, both union members and non-members were asked whether, when they heard of a strike, their sympathies were generally for or against the strikers. Two members out of ten said they sympathised with the strikers, but roughly the same number said they did not. Almost all the others who answered said that their attitude depended on the circumstances. Among non-unionists only one in ten were for the strikers, while three out of ten were against them. Again most of the rest said it depended on the circumstances.

#### *Summary*

164. About a third of all those interviewed had experienced a strike since taking up their present post, and only 4 per cent had experienced strikes frequently. A third of stewards and managers had experienced overtime bans and threats to strike, and smaller proportions had also experienced working to rule and "go-slows". A half of the strikes concerned wages or bonus payments. A majority of stewards and managers agreed that their last strike lasted one day or less, that the decision to strike was taken at a shop-floor meeting, and that a full-time officer had been sent for, but stewards estimated larger numbers of workers involved than did managers. Most stewards thought that the strike had achieved a more favourable settlement for those who took part, but only a fifth of managers and foremen agreed. Full-time

<sup>1</sup> In fact 26 per cent of officers said that unconstitutional action only produced results "in some circumstances".

<sup>2</sup> Forty-five per cent of stewards who had experienced both strikes and other forms of pressure thought them more effective than going through procedure, compared with 7 per cent who had experienced neither; 20 per cent of members who had experienced both strikes and other forms of pressure thought them more effective (2 per cent who had experienced neither).

officers had a stronger belief in the utility of strikes than did members or stewards, but majorities of all three groups were opposed to unqualified unconstitutional action.

### 3. Management, Union and Work-Group Discipline

165. The information in this section consists of the disciplinary procedures which managers report having in their plants, the beliefs and fears on the part of union members and non-members about this issue, the alleged victimisation by management of shop stewards, and the operation of union and work-group discipline.

#### *Management Discipline*

166. Asked if they imposed penalties to discipline workers in their plant, 58 per cent of works managers said that they did. They were imposed in 66 per cent of plants in the metal trades, 56 per cent of plants in other manufacturing and 34 per cent in the construction industry. Of the plants which imposed penalties, two-thirds had a special procedure by which workers could appeal against dismissal or other punishment. The highest level to which an appeal could go, among plants with an appeals procedure, was the general manager or managing director in 39 per cent of cases, works manager or plant director in 29 per cent, board of directors or chairman in 18 per cent and national level in 8 per cent. In 6 per cent the highest level was the personnel officer or a works committee. In 89 per cent of plants with an appeals procedure the steward could accompany the man making the appeal. In 68 per cent of plants without a special appeals procedure, appeals were dealt with through the ordinary disputes procedure. In the remaining plants it was "understood" that workers could appeal.

#### *Beliefs About Fairness*

167. When asked whether they considered their management reasonably fair in dealing with workers who break rules and disobey orders, 93 per cent of stewards said yes. The minority who disagreed mostly complained of the inconsistency of management and the weakness of higher levels. Ninety-eight per cent of foremen said that matters of discipline were dealt with fairly in their plant.

168. Eleven per cent of union members said that in their job there was a risk of unfair treatment or dismissal but only two members said that they had been victimised or discriminated against as a result of trade union views or activities. Eight per cent reported cases they knew of victimisation or unfair dismissal by management since they were employed at their present firm. Ten per cent of non-unionists said there was a risk of unfair treatment or dismissal, and 4 per cent reported cases they knew of where they worked.

#### *Victimisation by Management*

169. Stewards were also asked to assess the record of their management in relation to unfair dismissal or victimisation. Twenty-five per cent of stewards said there had been such cases since they had been shop stewards, and 13 per cent said they had been victimised themselves. Very few cases of personal

victimisation involved dismissal, and the most frequently quoted instance concerned a blocked promotion. In over half the cases cited stewards claimed to have obtained some mitigation or concession from management. The contrast here is with the members' survey, in which 8 per cent reported cases of victimisation and unfair dismissal since they had been employed at their present firm. However, much of this difference between the members' 8 per cent and the stewards' 25 per cent may be due to lack of knowledge by members of some cases elsewhere in the workplace.

170. Nearly all the works managers (96 per cent) said that shop stewards were treated in the same way as other workers so far as discipline went. The few managers who said they were not were asked whether they were more or less likely than other workers to be subject to dismissal or other disciplinary penalties. All said stewards were *less* likely to be punished.

#### *Union and Work-Group Discipline*

171. The findings on the operation of union and work-group discipline consists of the frequency of cases concerning discipline of members by a union and the conduct of elections. Eleven per cent of members and 1 per cent of non-members said they knew of cases where employees at their place of work were disciplined or punished in some way by a union or members of a union. Those who reported instances of this kind were asked for further details about the most recent case. The largest number said that the member was disciplined or punished because of a lapsed subscription. Four members considered that the member was disciplined or punished unfairly, but in none of these cases did the penalty imposed involve expulsion from the union. Full details of the 45 cases of unions disciplining or punishing members are given in Table 20, but not too much significance should be attached to the very small numbers in some of the categories in the table. However, it is clear that allegations of union malpractices are comparatively rare.

#### *Unfair Elections*

172. Four of the 494 members interviewed said that they personally knew of elections in their union which were not carried out fairly. These were all branch elections. Two members considered that the elections were unfair because not enough people were present. The other two members made what appeared to be more serious allegations of unfair elections:

"It was a rigged ballot".

"They counted more votes than there were people to vote".

#### *Summary*

173. In just over half of the plants surveyed disciplinary penalties were imposed on workers. In two-thirds of these cases workers could appeal against the penalties and mostly they could be accompanied by their steward when making an appeal. Although some stewards and members knew of cases of victimisation, the vast majority thought their management was fair in matters of discipline. While 13 per cent of stewards said they had been victimised in some way, very few cases involved dismissal. The managers' general feeling was that stewards were treated in the same way as other

workers—or if anything more leniently. Almost all members and stewards thought unions were fair in matters of discipline and in the conduct of elections.

#### 4. Manpower Utilisation

174. It is convenient to bring together under the heading of Manpower Utilisation the answers to a number of questions, put mainly to members of management, on time-wasting and inefficient labour practices, the organisation and arrangement of work, the level of worker effort, and the prevalence and necessity of overtime working.

##### *Inefficient Labour Practices*

175. Forty per cent of works managers and 51 per cent of personnel officers claimed that there were time-wasting and inefficient labour practices in their plant. The practices most frequently specified included over-long breaks, smoking in the lavatory, bad time-keeping, etc. (Table 21, p. 93). Also frequently mentioned were job-demarcations, refusal to do alternative work, overmanning, etc. When asked what caused such things, most managers offered explanations which stressed the importance of attitudes to work—for example, "habit and attitude of mind", "laziness", "bloody-mindedness", or "fear of losing the job". Only 14 per cent mentioned a cause specifically related to trade unionism, such as the attitudes of shop stewards and trade unions. A few gave inefficient management as an explanation. Asked how these practices could be got rid of managers tended to emphasise the need for a change in attitudes—for example, "creating the right spirit", "getting more co-operation", "gaining their trust", etc. Some said what was needed was "better management control and supervision" and others mentioned "more efficient management, work study and reorganisation". Smaller minorities said what was needed was a change in trade union rules and organisation or "more job competition, unemployment, or sacking workers". Asked to calculate the percentage of labour costs per unit of output which could be saved if time-wasting practices were removed, the 41 per cent of managers who had calculated such a percentage gave varied answers but most calculations were well below 20 per cent.

##### *Organisation and Arrangement of Work*

176. Managers were asked if the organisation and arrangement of work could be improved if they were free to arrange their labour force as they wished. About half of them said that it could, and those that replied in this way were asked what percentage of time could be saved. There were widely varied answers, but very few estimated savings of more than 20 per cent. Thirty-four per cent of works managers who thought that work organisation and arrangement could be improved said that trade unionism was a big factor in preventing this; 22 per cent said it was a fairly big factor, 22 per cent a small factor and 17 per cent said it was not a factor at all. Personnel officers were slightly more inclined to blame trade unionism.

177. Foremen were also asked a number of questions about the organisation and arrangement of work, although it is arguable that some gave rather

inconsistent answers. Asked if they thought that the work they supervised could be better organised and arranged, 41 per cent said that this was so. Forty per cent of this group thought that it could be done by fewer people and 68 per cent said it could be done in less time. Asked whether unions or management prevented this, 51 per cent blamed the management, 41 per cent said they did not know and only 9 per cent blamed the unions. Yet when asked, in the next question, whether they felt that they had adequate scope to ensure that the work they supervised was done in the most efficient way, 93 per cent of foremen answered yes. Four out of ten union members thought their work could be better organised by management. Three out of ten believed it could be done by fewer people, and four out of ten said it could be done in less time.

#### *The Level of Worker Effort*

178. Nearly three-quarters of managers and 43 per cent of foremen thought that the workers they were responsible for could reasonably be expected to put more effort into their job than they did. Again, when asked to estimate how much greater effort was possible there were differing answers, but the bulk of managers did not think that it would be reasonable to expect an increase in effort of more than 20 per cent. Both managers and foremen who thought more effort was possible were then asked why it was not forthcoming. The principal reasons stressed by the managers related to a lack of financial incentive, laziness and lack of interest. Foremen tended to give much the same kind of reasons but 8 per cent blamed "inefficient management". A small minority in both groups mentioned the effect of full employment, but there appears to have been no mention of the effect of trade unions or of shop stewards. Three out of ten union members and non-unionists believed that the people working at their firm could put more effort into their jobs.

#### *Overtime Working*

179. Sixty-six per cent of all plants in the sample worked overtime regularly; a further 30 per cent worked overtime occasionally. Only 4 per cent never worked overtime. Works managers where overtime was worked regularly were asked how far they could reduce it on average, without reducing output, if they were able to guarantee no loss of earnings. Forty-four per cent said not at all, 15 per cent said by up to ten per cent, 13 per cent by between eleven and twenty-five per cent and 17 per cent by more than that. Foremen in a similar position were asked a similar question. Nine per cent said they could not say how much overtime it would be possible to reduce, 63 per cent said they could reduce some, 16 per cent said they could do away with most of it, and 12 per cent said it would be possible to abolish overtime completely.

180. About three-quarters of the union members sometimes worked paid overtime, and 43 per cent had worked an average of about nine hours during the previous week. Twenty-two per cent of those who ever worked overtime said it could be cut without affecting production and quality, assuming they did not lose pay. Members in metal handling trades worked more overtime than others and a higher proportion thought it could be cut. Just under a half of the non-unionists sometimes worked paid overtime, and 26 per cent had worked an average of about eight hours during the previous week.

Fifteen per cent of those who ever worked overtime said it could be cut without affecting production or pay.

#### *Summary*

181. About half of the managers thought there were inefficient labour practices in their plant and that the organisation and arrangement of work could be improved and nearly three-quarters of them thought that workers could put in more effort. Few managers thought that the abolition of inefficient labour practices or the better organisation of work could make more than a 20 per cent difference to costs. Two out of five foremen thought the work they supervised could be better organised, but nearly all foremen said they had adequate scope to ensure that it was efficiently done. A majority of managers and foremen thought they could cut at least some overtime without cutting earnings.

## CHAPTER 5

### THE PATTERN OF WORKSHOP RELATIONS

#### 1. Objectives

182. This chapter has two objectives. First, it provides a picture of the general pattern of workshop relations in Britain today which emerges from the mass of data contained in earlier chapters. To do this it helps to ask what the surveys tell us about four related matters:

1. The operation of the system of negotiation and representation at workshop level.
2. The relationship between unions and their members.
3. The relationship between managers.
4. The general level of satisfaction with the system as it is.

Each of these questions is the subject of a separate section.

183. The second objective is to compare the picture which emerges with that provided by earlier studies. This means asking how far the surveys support, contradict or supplement the view of workshop relations that emerged from the Commission's first Research Paper, *The Role of Shop Stewards in British Industrial Relations*.<sup>1</sup>

184. It should be stressed at the outset that the conclusions drawn in this chapter are selective and incomplete. The focus throughout is on those aspects of the data which seem to be most relevant to the practical applications discussed in the final chapter. More theoretical and speculative issues are virtually ignored. This does not mean that they are not considered important; only that this is not the place for them. They will be discussed in the final report on the results of the surveys.

#### 2. The System of Negotiation and Representation

185. Under this heading seven main conclusions need to be discussed. First, it is clear that some kind of representative system is very widespread in British industry today and that in one form or another it exists in most industries and firms where unions are recognised. In the past it has sometimes been suggested that shop stewards were a relatively narrowly based phenomenon, and even that the system of workplace bargaining and grievance settlement which they exemplify was confined to industries such as engineering or shipbuilding, where a militant "shop steward movement" was known to have developed, especially during the first world war. This view of the local lay representative must now be abandoned. The probability is that nowadays most stewards are not employed in engineering or shipbuilding. They work in a wide variety of trades and occupations and have become very much the norm in the unionised parts of British industry.

<sup>1</sup> *Op. cit.*

186. *Second*, although the surveys indicate that most stewards have established their right to bargain with management about most of the main aspects of their members' working lives—e.g. wages, conditions, hours of work, disciplinary matters and employment issues—it remains true that there are very wide variations in the functions, responsibilities and influence of particular stewards in different plants. This can best be seen from the wide variation in the total number of subjects they bargain about and in the time they spend away from the job. Thus 16 per cent of stewards in the sample had no bargaining record at all, while at the other extreme a fifth had established their right to settle virtually every kind of issue. Similarly, some stewards spent almost none of their working time on union business, while the average spent four hours and only one in a hundred spent all or most of his working time on shop steward duties.

187. This information should help to destroy the image of the shop steward as a mass leader who spends most of his time arguing with the boss or addressing thousands on a football field. On the contrary, although the typical steward appears to have a fairly wide range of bargaining activities, and all kinds of rights of access to management, he still spends about nine-tenths of his working hours *doing the work he is paid to do*. He is also responsible for the demands and complaints of only the fifty or so men and women who work in close proximity to him. One way of putting this point is to say that in discussing shop stewards and their future one should beware of what might be termed "the Etheridge stereotype."<sup>1</sup> Stewards of Mr. Etheridge's importance and range of activities are the exception to the rule.

188. It is also worth noting *thirdly* that similar variations in bargaining involvement and time spent negotiating appear to exist on the management side. Once again when thinking of the role of management in workshop relations one must beware of over-simple generalisations; there is no one pattern of involvement on either side.

189. Yet, like all generalisations in industrial relations, one cannot push this emphasis on diversity and difference too far. For the *fourth* major conclusion that emerges is that in contrast to the variations uncovered in respect of bargaining scope and time involved, there are marked *similarities* in procedural provisions and developments. Thus most firms have developed some form of senior steward system and over two-thirds have established a committee where leading stewards meet top management. Most plant managements grant facilities to stewards to consult their members, including the right to hold meetings at the place of work. There is also evidence, in most cases, of the development of various "unofficial" and "informal" customs and practices, which supplement and often short circuit formal and prescribed procedures.

190. Many reasons could be suggested for these procedural similarities, and no doubt some will suggest themselves as a result of further study. Once again developments which had previously been thought to be more or less

<sup>1</sup> Mr. Etheridge is convenor of shop stewards at the largest BMC assembly plant, Austin's of Longbridge. He is also, at the time of writing, Chairman of the BMC Joint Shop Stewards' Committee.

confined to a narrow group of industries such as engineering—e.g. the development of senior stewards, plant negotiating committees and widespread short-circuiting of lower levels of supervision—are found to be part of the general system of workshop relations in Britain today. This fact is important when one comes to consider the case for the reform of procedures at workshop level.

191. The *fifth* major conclusion concerning the system of negotiation and representation relates to the evidence of a widespread use of short, unconstitutional strikes and other forms of workshop sanction. According to managers 30 per cent of plants have known strikes during the last five years, and about the same number have experienced "go-slows", overtime bans or other sanctions. It is agreed that the great majority of these were unconstitutional—i.e. they involved a breach of procedure. Thus it appears that while the majority of plants remain strike free, in about a third workshop bargaining takes place against the background of possible unconstitutional action. It might be thought that this is evidence of a widespread refusal to use established procedures; but there is no evidence that this is the case. In fact almost all plants record no decline in the use of procedure in recent years and about a third of managers say that in their plant the use of both formal and informal procedures has increased.<sup>1</sup> There is also evidence to suggest that an increase in the use of procedure is often accompanied by the occasional use of unconstitutional strikes. In other words, the use of procedure and strikes in breach of procedure may be complementary rather than contradictory activities.

192. There is also the fact that among managers, stewards and union members a general satisfaction with the existing system is not confined to those who have never experienced strikes or other sanctions; in other words, the occasional use of unconstitutional sanctions is not incompatible with a state of industrial relations which is generally regarded as satisfactory. Yet there is clearly some negative correlation between sanctions and satisfaction—for example, the only substantial minority of dissatisfied stewards seem to be clustered in those plants where sanctions other than strikes had been used five times or more during the last twelve months.

193. One further point to be made about sanctions concerns their effectiveness. As might be expected the participants do not agree on this question, and management are reluctant to admit that the workers have gained by using such pressures. More importantly, perhaps, militancy, in the sense of a readiness to assert that sanctions can secure quicker and better results than procedure, is strongly correlated with experience of such activities on the workers' side. Certainly it may be said to provide a more plausible explanation of differences in attitudes towards the use of sanctions than one which relies on differences of role. There is little evidence that stewards, as such, are more likely to advocate and believe in strikes than other groups. On the whole, management do not regard them as more militant than their members.

<sup>1</sup> Similar evidence can be found in the employers' association survey; see *Research Papers 7*, p. 94.

194. The last two major conclusions to emerge concerning the system of negotiation and representation both relate to the relationship between management and stewards. There is, *sixthly*, the fact that the great majority of managers say that they would rather deal with stewards than full-time union officers if both were equally competent to deal with the issue involved. This implies a degree of acceptance by management of the steward which is well supported by answers to other questions. Thus the great majority of managers say that their stewards are "reasonable", and only 3 per cent suggest that they are always unreasonable. Similarly, few managers think that their stewards are inefficient as representatives. Moreover, this view of the steward is supported by the opinions of other groups. Thus only 4 per cent of members say that their steward is very ready to call a strike and the great majority of stewards maintain that they are helping management to solve its problems and that they are accepted by management.

195. This brings us to the *seventh* and final conclusion concerning the operation of the system of negotiation and representation. Once again the survey does not support the conventional view of the average shop steward as an embattled opponent of management, working on the grievances of workers to develop a sense of solidarity and militancy. This is not how the participants see his role. For the most part the steward is viewed by others, and views himself, as an accepted, reasonable and even moderating influence; more of a lubricant than an irritant. Yet, as earlier conclusions have made clear, this does not mean that he does not have disputes with management, nor that these disputes do not sometimes result in strikes and other unconstitutional action. The point seems to be that even an increasing volume of disputes and grievances, plus the use of occasional unconstitutional action, does not seem, to the participants, to be incompatible with mutual toleration and acceptance, and a judgment on the overall state of industrial relations which is regarded as generally satisfactory.

### 3. Trade Unions and Their Members

196. The more important conclusions arising out of the surveys concerning the relationships between unions and their members may be classified under five headings:

1. Attitudes towards trade unionism.
2. Relations between stewards and members.
3. Relations between stewards and full-time officers.
4. The role of the union branch in workshop relations.
5. Multi-unionism.

#### *Attitudes Towards Trade Unionism*

- 197. Two main conclusions can be drawn under this heading. First, the surveys show that most members say they are satisfied with what the union does for them and would be willing to pay more in subscriptions if they could be shown that the result would be "a more efficient union offering better services." The fact that about half those interviewed were employed in closed shops—and therefore that most of them had probably had to join

the union in order to retain a job—did not appear to prevent such expressions of general approval.

198. Second, there was a surprising degree of approval among non-unionists of trade union objectives and a willingness to join a trade union if asked to do so. Thus almost half said that they had a generally favourable view of trade union activities; and over a third who worked in situations where there was no union said they would join a union if it did exist. One possible reason for such "pro-union" attitudes among non-unionists interviewed is that about half of them had been trade unionists in the past and had dropped out because they had left the firm or changed their job.

#### *Relations Between Stewards and Members*

199. Five major conclusions arise out of the surveys affecting the relationship between stewards and their members. The *first*, and most obvious, concerns the importance of the steward's position in maintaining contacts between members and the union. The cornerstone of the steward's position in this respect lies in the fact that he is the union officer who is in constant contact with the members, and indeed he works alongside them for about nine-tenths of the working week. When these facts are combined with the admission of the great majority of members that they do not attend their branch regularly, it becomes clear that those who have suggested that "the steward is the union" to most members are quite right.

200. The *second* conclusion that emerges is that in general stewards are much more "union-oriented" than members. This may be because they have become stewards, but there is also evidence to be found in their higher branch attendance. On the other hand, the surveys also show that the degree of "union orientation" varies among stewards. Most important of all, perhaps, a minority hold office at branch level and about half have either served or wish to serve in another capacity in their union. Once again the simple picture of the shop steward as a man largely divorced from union influence and involvement must be modified.

201. The next two conclusions arise from what the surveys tell us about the nature and extent of shop steward influence on members. The *third* conclusion concerns the question of how members' wishes are implemented by stewards. Although there is an apparent conflict between the evidence of stewards, and 43 per cent of stewards say they can always get their way and another 17 per cent say they can do this sometimes, 46 per cent say there are circumstances in which they are unlikely to get their members to agree with them. Two-thirds of members say that it is usually "the majority" that decides what is to be done, and only 22 per cent say it is the steward. In other words, it is usually the case that the majority decides, in that courses of action are taken which will secure majority support and in important issues this often requires the taking of a vote. Nevertheless, more often than not, these courses are those that the steward favours, so that it remains true that he very often gets his way. This seems to show that stewards work by persuasion and argument, that theirs is a form of leadership based on consent. Given the almost total absence of sanctions on members available to them

this is inevitable, and the answers to the questions posed are perhaps best regarded as indications that such realities are appreciated on the shop floor.

202. The *fourth* conclusion modifies the third by recognising that some stewards have more influence than others. Indeed the variations in the answers of both stewards and members may be regarded as evidence that this is the case. In other words, we have no reason to suppose that the minority of members who say that in their plant decisions are normally left to the steward are describing *exactly the same situation* as the minority of stewards who claim that they are not able to influence their members to any significant extent. Within the limits set by a basically "democratic" framework of power relationships, there is room for differences of leadership style and effectiveness. Some stewards *may* provide a *charismatic* form of leadership which affords them a wide degree of discretion and influence; others may hardly seek to lead at all and may encourage a situation in which they become little more than a channel for the objectives and strategies of others. It is argued below that these conclusions about the nature and extent of steward influence have practical implications.

203. The *fifth* conclusion to be considered concerning the relationship between stewards and members relates to the way in which stewards are chosen and the conditions under which they are replaced. The most important fact to emerge here is that about two-thirds of stewards either went through no form of election or were the only candidate for the job. For the most part those who gave up being a steward did so because they moved to another job; hardly any were defeated in elections.

204. But this discovery must be taken in conjunction with certain other facts which have emerged about their position *vis-à-vis* the members. In particular, it must be remembered that these are people open to daily influence and contact, working without effective sanctions; the fact that once they get the job they are not usually forced to give it up does not mean that they can afford to get "out of touch" with those they represent. Indeed, given the fact that in the members' sample it was discovered that a mere 8 per cent of those interviewed wanted to be shop stewards, it may merely indicate that the great majority do not consider themselves as candidates for the job of steward until an actual vacancy presents itself.

#### *Relations Between Stewards and Full-time Officers*

205. The most important conclusion to emerge about the relationship of stewards to local union officers is that it is an inter-dependent one. It is true that the officer needs the steward to carry out a wide range of functions, but the steward also seems to feel that the officer is important to him, as a source of advice and encouragement.

206. It is the steward who is in daily contact with the great majority of members who do not attend the branch regularly, if at all. Compared to the opportunities which the full-time officer has to contact and influence members, the steward is in an unrivalled position, for it is difficult to see how the officer can aim to exercise any influence that is not largely channelled through the steward. There is also the fact that, given management preferences for deal-

ing with stewards, the officer would appear to be in a peculiarly weak position in any conflict with his stewards. For he can easily come to be regarded as a person who has little or nothing to do with the process of gaining concessions from management, and who only appears when the object is to put pressure on workers to call off a strike.<sup>1</sup>

207. Yet, curiously enough, this relative weakness of the full-time officer in relation to the steward does not seem to have led to the kind of friction between them that one might expect, and which is often assumed to exist. On the contrary, the full-time officers interviewed insisted that they relied on shop stewards to do their job and fully appreciated their importance in this respect; in fact they had a higher opinion of stewards than the members themselves. Moreover the stewards had no desire to belittle the role of the full-time officers; on the contrary they in their turn were more insistent on their importance than management. There was also the fact that the officers, for the most part, did not want to extend their role—for example, for the most part they appeared to be content to leave the bulk of workplace bargaining to their shop stewards.

208. It might be suggested that these indications of identity of response and mutual understanding are not to be accepted at their face value; that, for example, some officers would like to play a more important role in workshop bargaining, while some stewards would appreciate more help, but they were not inclined to air their grievances to outsiders. This is, of course, always possible; but it seems more plausible to assume that on the whole those interviewed meant what they said.

209. After all, many officers had been shop stewards and the great majority had never known any other situation but the existing one of dependence on local lay representatives. To suggest that they themselves should play a more important local negotiating role was to suggest the unknown, and given the present calls on their time this might not be an altogether attractive suggestion. Finally, there is additional evidence for the assumption that in general stewards and officers agree with each other and tend to take the same attitude to problems, in the answers each gave to the questions on the use of sanctions.

210. All this evidence tends to combine to support the view that another common stereotype of the shop steward should be modified. The average steward is not, on the whole, a man in revolt against union authority and influence—any more than he is an embattled and unqualified opponent of management. Such stewards exist, of course, but the surveys show that they are very much the exception to the rule.

#### *The Role of the Union Branch in Workshop Relations*

211. It has long been argued that trade union communications no longer depend on regular attendance at branch meetings, and in this respect the survey confirms this fact. Yet it had previously been thought that one reason for bad branch attendance was that most branches were geographically based—i.e. they aimed to bring together all the members in a union within

<sup>1</sup> It may be noted that almost half the works managers in the survey stated that they had never settled a single issue with a full-time officer.

194. The last two major conclusions to emerge concerning the system of negotiation and representation both relate to the relationship between management and stewards. There is, *sixthly*, the fact that the great majority of managers say that they would rather deal with stewards than full-time union officers if both were equally competent to deal with the issue involved. This implies a degree of acceptance by management of the steward which is well supported by answers to other questions. Thus the great majority of managers say that their stewards are "reasonable", and only 3 per cent suggest that they are always unreasonable. Similarly, few managers think that their stewards are inefficient as representatives. Moreover, this view of the steward is supported by the opinions of other groups. Thus only 4 per cent of members say that their steward is very ready to call a strike and the great majority of stewards maintain that they are helping management to solve its problems and that they are accepted by management.

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202. The *fourth* conclusion modifies the third by recognising that some stewards have more influence than others. Indeed the variations in the answers of both stewards and members may be regarded as evidence that this is the case. In other words, we have no reason to suppose that the minority of members who say that in their plant decisions are normally left to the steward are describing *exactly the same situation* as the minority of stewards who claim that they are not able to influence their members to any significant extent. Within the limits set by a basically "democratic" framework of power relationships, there is room for differences of leadership style and effectiveness. Some stewards *may* provide a *charismatic* form of leadership which affords them a wide degree of discretion and influence; others may hardly seek to lead at all and may encourage a situation in which they become little more than a channel for the objectives and strategies of others. It is argued below that these conclusions about the nature and extent of steward influence have practical implications.

203. The *fifth* conclusion to be considered concerning the relationship between stewards and members relates to the way in which stewards are chosen and the conditions under which they are replaced. The most important fact to emerge here is that about two-thirds of stewards either went through no form of election or were the only candidate for the job. For the most part those who gave up being a steward did so because they moved to another job; hardly any were defeated in elections.

204. But this discovery must be taken in conjunction with certain other facts which have emerged about their position *vis-à-vis* the members. In particular, it must be remembered that these are people open to daily influence and contact, working without effective sanctions; the fact that once they get the job they are not usually forced to give it up does not mean that they can afford to get "out of touch" with those they represent. Indeed, given the fact that in the members' sample it was discovered that a mere 8 per cent of those interviewed wanted to be shop stewards, it may merely indicate that the great majority do not consider themselves as candidates for the job of steward until an actual vacancy presents itself.

#### *Relations Between Stewards and Full-time Officers*

205. The most important conclusion to emerge about the relationship of stewards to local union officers is that it is an inter-dependent one. It is true that the officer needs the steward to carry out a wide range of functions, but the steward also seems to feel that the officer is important to him, as a source of advice and encouragement.

206. It is the steward who is in daily contact with the great majority of members who do not attend the branch regularly, if at all. Compared to the opportunities which the full-time officer has to contact and influence members, the steward is in an unrivalled position, for it is difficult to see how the officer can aim to exercise any influence that is not largely channelled through the steward. There is also the fact that, given management preferences for deal-

ing with stewards, the officer would appear to be in a peculiarly weak position in any conflict with his stewards. For he can easily come to be regarded as a person who has little or nothing to do with the process of gaining concessions from management, and who only appears when the object is to put pressure on workers to call off a strike.<sup>1</sup>

207. Yet, curiously enough, this relative weakness of the full-time officer in relation to the steward does not seem to have led to the kind of friction between them that one might expect, and which is often assumed to exist. On the contrary, the full-time officers interviewed insisted that they relied on shop stewards to do their job and fully appreciated their importance in this respect; in fact they had a higher opinion of stewards than the members themselves. Moreover the stewards had no desire to belittle the role of the full-time officers; on the contrary they in their turn were more insistent on their importance than management. There was also the fact that the officers, for the most part, did not want to extend their role—for example, for the most part they appeared to be content to leave the bulk of workplace bargaining to their shop stewards.

208. It might be suggested that these indications of identity of response and mutual understanding are not to be accepted at their face value; that, for example, some officers would like to play a more important role in workshop bargaining, while some stewards would appreciate more help, but they were not inclined to air their grievances to outsiders. This is, of course, always possible; but it seems more plausible to assume that on the whole those interviewed meant what they said.

209. After all, many officers had been shop stewards and the great majority had never known any other situation but the existing one of dependence on local lay representatives. To suggest that they themselves should play a more important local negotiating role was to suggest the unknown, and given the present calls on their time this might not be an altogether attractive suggestion. Finally, there is additional evidence for the assumption that in general stewards and officers agree with each other and tend to take the same attitude to problems, in the answers each gave to the questions on the use of sanctions.

210. All this evidence tends to combine to support the view that another common stereotype of the shop steward should be modified. The average steward is not, on the whole, a man in revolt against union authority and influence—any more than he is an embattled and unqualified opponent of management. Such stewards exist, of course, but the surveys show that they are very much the exception to the rule.

#### *The Role of the Union Branch in Workshop Relations*

211. It has long been argued that trade union communications no longer depend on regular attendance at branch meetings, and in this respect the survey confirms this fact. Yet it had previously been thought that one reason for bad branch attendance was that most branches were geographically based—i.e. they aimed to bring together all the members in a union within

<sup>1</sup> It may be noted that almost half the works managers in the survey stated that they had never settled a single issue with a full-time officer.

a given town or area whatever their place of work. In such a situation, it was said, those who attended were apt to find that it was impossible to discuss or settle workshop policy, which might affect workers in many different branches, so that there was a tendency for even activists to become discouraged and for attendance to fall off. By contrast, it was thought, if branches were based on the place of work—so that *all* the workers from a particular plant in a given union could meet in one branch—this would be less likely to happen. Workplace policy could be decided at the branch meeting and this would help to maintain attendance and interest, thus increasing union orientation and involvement among the membership.

212. This remains a plausible *a priori* argument, but it is not supported by the facts so far as we know them. There is no evidence of higher attendance at workplace-based branches among members or stewards, although workplace-based branches are the rule rather than the exception in both general unions. Workshop-based branches may discuss and decide workshop policy more effectively and frequently, but at present it looks, from the surveys, as if the mere creation of workshop-based branches will not do much to raise the level of membership participation. The most obvious reason for this would seem to be the very adequacy and frequency of workplace-based contacts with stewards as revealed by the surveys. For if the great majority of members can see their steward every day at work, and he can call them together whenever necessary to discuss common problems, why should they bother to attend even a workshop-based branch which meets *outside* working hours and not at their place of employment? It follows from this that if branches are to be well attended a way must be found to integrate them into the place of work by holding meetings at the workplace during working hours; this is a point that is discussed further below.

#### *Multi-unionism*

213. One of the most notable conclusions to be drawn from the surveys concerns the extent and effects of multi-unionism. It was found that in most plants studied there was more than one union representing manual workers, although two or more unions representing one *grade* of workers was not so common (i.e. only 16 per cent of union members claimed to be in this situation, although 31 per cent of stewards were).

214. There was also evidence of issues involving more than one union on a wide scale—e.g. 78 per cent of the 81 per cent of stewards who had more than one union represented in their workplace said that issues they wanted to discuss sometimes involved other unions. Two-thirds of the management-steward committees existing in plants covered by the survey were multi-union in character and 39 per cent of stewards said they attended workplace meetings with stewards of other unions. Twelve per cent said they had been to so-called "combine committee meetings"—i.e. meetings attended by stewards from different unions and different places of work. Forty-two per cent of full-time officers said that at least some of their stewards had attended such meetings. Yet the prevalence of multi-union grievances and the need for multi-union representation has not led to multi-union stewards as such—i.e. the emergence of a group of stewards formally responsible to

workers from more than one union and chosen by a multi-union group. Only 2 per cent of workers said that members of another union participated in the selection of their steward.

215. Given the prevalence of multi-unionism in one form or another it is perhaps surprising that there is not more concern for its effects and the problems it gives rise to. Yet a majority of stewards and managers affected thought that fewer unions would make no difference to the solution of multi-union issues. Perhaps, as in the case of full-time officers and their role in local bargaining, one is asking those closely involved in a given situation, who have evolved ways of dealing with it, to imagine the effect of changes that they find difficult to envisage as practical possibilities. In this respect one may contrast what the stewards and managers said on this question with the replies of the full-time union officers. It will be remembered that 80 per cent of officers who were involved in multi-union situations thought that it would help if there were fewer unions; presumably most of them had had experience of varying degrees of competition and overlap in different plants and industries, so that they had more grounds for judging the effect of reducing multi-unionism.

#### 4. Managers and Their Associations

216. Most conclusions concerning management itself may be conveniently classified under two headings: those affecting management within the plant and those concerning the relationship between a given management and its employers' association.

##### *Within the Plant*

217. Two main conclusions must be mentioned under the first heading. First, foremen appear to have a reputation for relative resistance to shop steward claims which is accepted by both higher and lower levels of management; thus three out of four works managers, personnel managers and foremen said that foremen were as tough, or even tougher than top management in agreeing to union demands. Curiously enough this accepted difference in the responses of foremen to steward demands does not appear to be accompanied by widespread resentment on the part of the foremen or dissatisfaction with the extent to which they are overruled by their superiors. Thus only 6 per cent of foremen complained that their problems in dealing with stewards were not appreciated by other levels of management and only 10 per cent thought that higher management was too lenient. Only 20 per cent said that there were problems they ought to be free to deal with which they had to refer to higher management.

218. One explanation for the apparent paradox may be that it is recognised by both sides that foremen are required to take a rather tougher line than their superiors, and that there is little resentment of this fact among the foremen themselves. If this is the case, further analysis may help to reveal the reasons for such a view; at the moment the suggestion is advanced merely as a hypothesis which fits the facts.

219. The second main conclusion concerns the evidence for the short-circuiting of foremen by shop stewards. It is possible to argue that the relative toughness of foremen provides one reason for short-circuiting, although it may not be the only one. It is also interesting to note that the general satisfaction of foremen with their present situation and degree of influence does not extend to short-circuiting. Most foremen resent short-circuiting in any form.

#### *Employers' Associations*

220. Turning to the external relations of management, three conclusions seem to arise. *First*, most firms recognising unions belong to employers' associations and claim that they benefit from this arrangement; in other words the "federated" firm is the norm in manufacturing industry and construction in this country and looks like remaining so. *Second*, employers' associations in general do not appear to play a very active part in the day-to-day settlement of workshop relations. They are not thought to be very influential and the majority of managers did not know of a situation where their association had sought to prevent them from acting in a particular way. (The majority who had ignored association advice said that nothing had been done to force them to conform.) *Third*, most managers appear to be relatively content with this comparatively uninvolved and permissive situation. Only a small minority criticise their association because it is weak and does not seek to control its members more.

221. Moreover, it is worth pointing out that what the managers say about their association is supported by what association secretaries say about management. Thus it was shown in Research Papers 7 that only 16 per cent of association officials sought to influence their members "a lot" and only 4 per cent knew of any firms that had been expelled from the organisation during the last five years because of policy disagreements. In any case, on investigation most disagreements concerned matters other than industrial relations questions. Only a small minority of officials were dissatisfied with the extent of their influence and wished to exert more influence.

222. There is one final conclusion which emerges from the management survey that is in many ways one of the most surprising. It can be said to be relevant to both internal management relations and relations with employers' associations. Among medium sized firms recognising trade unions in this country the multi-plant firm seems to be the norm. In other words, about two-thirds of managers facing trade unions and shop stewards at plant level are part of a *multi-plant management structure* (moreover in the larger plants the proportion is much higher).

#### **5. Satisfaction with the System As It Is**

223. The fourth question posed in Section 1 above concerned the information in the surveys about the general level of satisfaction of the parties with the system as it is. Here it must be said that the overwhelming impression which one derives from the surveys is that most people are reasonably satisfied with things as they are. To the reader who is unfamiliar with the way in which workshop bargaining operates in Britain, who gains his impression of it

second-hand from well-publicised accounts of strikes and other sanctions, this may seem surprising.

224. Yet it is important to realise the true nature of the evidence to be considered here, and not to over-state its significance. In the first place, the minorities who express dissatisfaction on virtually every issue cannot be dismissed as insignificant—e.g. the stewards, union members and non-unionists who said that they actually feared victimisation or unfair dismissal; the full-time officers who argued that the managements they dealt with did not adopt a reasonably fair attitude towards trade unions, the managers who complained that they faced unreasonable stewards, or who thought that the procedure in their plant did not work well. If these minorities are justified in their criticisms they cannot be disregarded just because others, in different circumstances, do not share their views. Here it is perhaps worth noting that these dissatisfied minorities, which often appear to be somewhere between 5 per cent and 10 per cent of the total, are for the most part composed of two groups. First, a small minority of no more than a few per cent who are generally dissatisfied—e.g. those stewards who feel that the procedure is unsatisfactory, management is unfair and members unappreciative. Second, a much greater number who complain about one *particular* aspect of the system—e.g. the 18 per cent of foremen who had at least one fault to find in the operation of procedure, the demands of stewards or the authority given to them by higher management.

225. In the case of the second group of partial critics it is arguable that there are several questions where the minority expressing some form of dissatisfaction with one aspect or another of the system is more significant and important than the majority who record general satisfaction. Three instances where this may be said to be the case are discussed briefly below.

226. The first concerns the replies given by both sides to questions concerning the utilisation of labour. Here, it is to be noted, the proportions suggesting that things are less than satisfactory are unusually high. Thus 66 per cent of plants worked systematic overtime and half the managers involved thought that this could be reduced without lowering production. Management in 40 per cent of plants admitted that they had some time-wasting and inefficient work practices, and about half the managers thought that the organisation and arrangement of work could be improved. On the whole the workers' surveys confirm this view: 41 per cent of union members thought their work could be better organised, 29 per cent said it could be done by fewer people and 39 per cent said it could be done in less time. Most notable of all, perhaps, 33 per cent said workers in their firm could put more effort into their jobs and gave laziness and lack of interest as the main reasons why they did not. These views were echoed in the replies of management to similar questions asking why labour utilisation was not improved. Again the main reasons given were related to laziness, apathy, or an absence of financial incentives. Relatively few participants mentioned the power of trade unions or the attitudes of stewards.

227. Second, many workers appeared to be dissatisfied with the system of payment under which they worked. Thus 44 per cent of all union members said they would be willing to change their system of payment—either from piece work to time work, or vice versa. A third of managers were in favour of

a change of some kind, and a similar proportion of foremen. Even more interesting and significant, perhaps, was the difference of emphasis in the replies of stewards and their members to these questions. Half the workers on time rates wanted to change to piece work, while only a third of those on piece work wished to go on to time work. Among stewards these proportions were reversed; for stewards appear to be the group most emphatically opposed to piece work once it is introduced. This is itself somewhat paradoxical, since it is generally agreed that payment by results schemes provide stewards with their greatest single opportunity to raise members' earnings and thereby their own influence and prestige among the work group. Like most other groups who oppose piece work, stewards give as their reason its unfairness and tendency to encourage shoddy work.

228. Third, another question on which it is arguable that the minority of dissatisfied informants is more significant than the majority of satisfied ones concerns discipline and dismissal. For one of the most important facts to emerge from these surveys is that 11 per cent of union members and 10 per cent of non-unionists said that in their opinion there was a risk of unfair treatment or dismissal in their firm. In addition, it will be remembered, 8 per cent reported alleged cases of victimisation and unfair dismissal since they had been employed in their present firm. Stewards, moreover, support appraisals of the situation. Asked to assess the record of their management in relation to unfair dismissal or victimisation, 25 per cent of stewards said that there had been such cases since they had been shop stewards, and 13 per cent claimed to have been victimised themselves.

229. Of course there are two qualifications which should be entered. First, on subsequent investigation very few cases of personal victimisation were found to involve dismissal; indeed the most frequently quoted instances involved blocked promotion, situations which can most easily seem like victimisation to any person passed over. Second, the answers given by workers and stewards to victimisation questions, along with those concerning the effectiveness of strikes, are isolated instances where there seems to be a substantial divergence between the opinions advanced from the management and the workers' side. Nevertheless, it may still be argued that the existence of fears of unjustifiable treatment on this scale remains of some significance, when due allowance has been made for both these qualifications.

230. No doubt this list of instances where minority "verdicts" against particular aspects of the system are perhaps of more significance than majority votes in its favour could be extended; at the moment it is more important to mention two other grounds on which some might want to argue that the evidence of general satisfaction revealed in the surveys should not be over-valued. It could be said, for example, that the surveys reveal complacency and self-satisfaction, rather than a well adjusted and mutually beneficial system. Thus it could be argued that the parties do not realise how much better things could be if only they were otherwise. In this respect it might be doubted how far, within a largely self-contained system of workshop relations, the participants could be said to possess any external standards to judge by. In other words, stewards with relatively few bargaining rights and virtually no facilities for contacting their members may be easily satisfied, because they

have no experience of anything else. Similarly, members who think their steward is efficient enough may never have experienced another. Managers, who suggest that their disputes procedure works well may have no idea of the improvements that could follow from its reform. Thus the advocate of more extended and formalised bargaining rights, or a greater role for full-time union officers, could argue that the fact that there seems to be no widespread demand for these things is no indication that they are not required.

231. Secondly, it could be argued that even if the parties are right in maintaining that the present system serves them tolerably well it leaves out of account or damages certain over-riding external objectives—for example the public interest. Thus those who consider that the existence of widespread shop floor bargaining by stewards over piece-work prices causes inflationary wage drift will not be persuaded that nothing needs be done to arrest this process merely because it is compatible with earnings levels that most workers regard as tolerably equitable, and arises from union demands that most managements say are "reasonable".

232. All these qualifications amount to the assertion that the surveys cannot hope to settle all arguments and silence all demands for reform. They do not show that there is nothing wrong with the system of workshop relations in this country, or even that the things that may be wrong are not particularly important since they only affect a few people. What they do suggest is something more modest and plausible. What they more or less rule out are arguments for major modifications in existing ways of doing things—as against changes in *formal rules*—which are based on the belief that there is widespread dissatisfaction and discontent with the general operation of the system as it is. They show that neither the workers nor their employers are about to rise *en masse* and insist that the present situation can be borne no longer. They also provide much useful information which is relevant to the practicality of various suggestions for change and reform in the existing system; but these matters are the subject of the final chapter of this Research Paper.

## 6. Comparisons with Earlier Studies

233. In general it may be said that the picture of the shop steward which emerges from the earlier sections of this paper confirms much of the earlier work which formed the basis of Research Papers 1. To take but a few examples, there are at least five ways in which it supports the conclusions of the earlier paper concerning the operation of systems of negotiation and representation at workshop level. First, it agrees that stewards are "essentially shop floor bargainers, using all the opportunities presented to them to satisfy their members' grievances and claims".<sup>1</sup> In other words, they are prepared to "use every avenue of access to management" and if necessary "circumvent established rules and procedures to get what their members want". All the evidence discovered about "unofficial" channels and "short-circuiting" supports this view, as does the acceptance by top management of various "customs and practices" not necessarily embodied in established rules. Second, in the pursuit of their objectives, according to Research Papers 1, stewards "are also prepared to make occasional use of workplace sanctions,

<sup>1</sup> *Op. cit.*, p. 70.

some of which appear to management to be illegitimate and to involve a 'breach of agreements'".<sup>1</sup> This was found to be the case in at least a third of all plants studied.

234. But the Paper suggested that the existence of such sanctions did not necessarily imply a generally unsatisfactory state of industrial relations—at least in the opinion of the participants. It also said that one inevitable result of workshop bargaining by shop stewards was a decline in the authority of the lower levels of supervision, and a tendency to exclude or "short-circuit" them which they usually resented. These conclusions are also confirmed by the surveys. Finally, Research Papers 1 argued that one reason for the growth of the shop steward system in Britain might be the attitudes of management; in particular the preference of most managers for dealing with stewards rather than full-time trade union officers. Here the confirmation of the survey is most striking. Once again the majority of managers asked said they preferred to deal with their own stewards—indeed the proportion replying in this way was even higher than in earlier studies.<sup>2</sup>

235. The other area where the surveys confirm earlier work most notably concerns the relationship between unions and members. Here it is worth noting four points of agreement. First, both the surveys and Research Papers 1 suggest, as it is put in that Paper, that "If the attainment of shop floor unity and effective communication seem to make it essential, many [stewards] will tend to ignore the organisational boundaries and governmental structures of their own unions".<sup>3</sup> Clearly the evidence of multi-union activity and the prevalence of various types of multi-union steward committees indicate that this judgment is correct. Second, the Paper pointed out that for most members the shop steward was the union—in that "Unions depend on them to collect the bulk of subscriptions, to maintain communication with the membership, and to provide the disputes machinery with grievances and claims".<sup>4</sup> It also went on, "The great majority of members, who do not attend branch meetings, must obtain their facts and opinions about the union from shop stewards". All these statements find support in the surveys. Third, it was suggested in the Paper, and confirmed in the surveys, that "Shop stewards play a crucial part in governing and administering unions at branch level".<sup>5</sup> Finally, this Research Paper also confirms the earlier one in its contention that "what seems probable is that the number [of shop stewards] is rising, and that it may be rising faster than union membership".<sup>6</sup>

236. It can of course be argued that in other respects the surveys modify the provisional findings of Research Papers 1. For example, they suggest that the average time spent on union work within the plant is somewhat smaller than other studies would suggest. They also seem to indicate a similarity of procedural forms, and an acceptance of widespread short-circuiting and the

<sup>1</sup> *Ibid.*

<sup>2</sup> I.e. H. A. Clegg, A. J. Killick and R. Adams, *Trade Union Officers*, Oxford: Blackwell, 1962.

<sup>3</sup> *Op. cit.*, p. 70.

<sup>4</sup> *Ibid.*, p. 2.

<sup>5</sup> *Ibid.*, p. 3.

<sup>6</sup> *Ibid.*, p. 5.

need for unofficial contacts with top management, which appears to go beyond that supported by earlier studies. But it is not the purpose of this Paper to consider, in detail, how far the work on which it is based justifies one in assuming that those who went before were wrong. It may be more useful to complete this chapter by summarising very briefly, the overall view of workshop relations that now emerges, as a result of *all* the information available. It should then be possible to consider, in the next chapter, the practical implications of this new and revised picture.

237. The system of workplace relations that emerges from this Paper would appear to be largely self-contained and self-regulating, in the sense that its main motivations, pressures and controlling impulses originate within the plant itself. Certainly on the management side the employers do not pretend that their local association plays more than a marginal role in most disputes and the associations themselves do not claim to be interventionist or controlling factors. Stewards do claim that local union officers are important, though most of them do not see them very often. Stewards admit that in contacting members and formulating workplace policy they rely almost exclusively on in-plant arrangements. Most managers say that they rarely deal with anybody but their own shop stewards.

238. Within this domestic atmosphere steward organisations develop and seek to secure bargaining rights in respect of a wide variety of issues. The evidence suggests that the degree of success they achieve, measured in terms of bargaining range, differs widely from plant to plant, much more so than the procedural practices they adopt. In most firms, however, some range of bargaining is achieved, often with the employment of unofficial and unconstitutional methods. What evidence we have suggests that the range of the steward's representative activities is growing, as certainly is the total number of stewards and the use made of many procedures. Yet this has not prevented the emergence of a relatively high degree of mutual toleration among the parties, based partly on an understanding of differences in their respective positions and roles in the process of workshop relations.

239. Thus managements, on the whole, do not expect their stewards to take their point of view, but this does not prevent them from thinking that they deal with efficient representatives of the workers' interests. Similarly, foremen realise that top management is bound to take a rather more lenient line than they do on occasion, but this does not necessarily make them think that they are not appreciated or understood by their superiors. Then again, despite their appreciation of differences in role, stewards and full-time union officers also emphasise their mutual interdependence and what each can do for the other. They also seem to share certain common assumptions which transcend their differences of role—e.g. their common attitudes towards the justifiability and effectiveness of strikes and other sanctions in breach of procedure.

240. To use a sociologist's way of expressing the situation, we may say that in workshop relations in Britain, there can apparently be role conflict without conflicting role expectations; *objectively* there are clashes in interest and function, but *subjectively* the participants often accommodate themselves

to this situation, and as a result they do not expect the position to be otherwise. Indeed it may be argued that it is the outsider rather than the insider, who expects an absence of conflict as a precondition of a situation which most people claim to find relatively satisfactory and acceptable most of the time.<sup>1</sup>

<sup>1</sup> To use one further term from sociology, it is the outsider who subscribes to the "unitary theory" of business organisation; the participants in our surveys seem to be for the most part pluralists. (See Alan Fox, *Research Papers 3*.)

## CHAPTER 6

### PRACTICAL APPLICATIONS

#### **1. Introduction**

241. The final section of Research Papers 1 was devoted to considering "possible ways in which the view of shop stewards that emerges from the Paper could be said to have a bearing on specific proposals and suggestions before the Commission".<sup>1</sup> There will be no attempt in this chapter to re-examine everything that was discussed in that section in the light of the new information provided by the surveys. In some cases, e.g. the case for removing piece-work or extending shop steward training, the relevance of the information provided by the surveys is obvious and a repetition of the arguments advanced in the Paper is unnecessary. In other instances the results of the surveys have thrown light on suggestions not discussed in the Paper at all.

242. However, there were four related matters discussed in the Paper which need to be reconsidered here. They involved suggestions for:

1. Additional legal and other penalties to prevent breaches of agreements.
2. More trade union discipline.
3. More formal agreements.
4. Integrating shop stewards into the union.

What light do the surveys throw on the practicability and advisability of these proposals?

#### **2. Legal and Other Penalties to Prevent Breaches of Agreements**

243. Research Papers 1 argued that because "unconstitutional" action in breach of agreement often took the form of an overtime ban, go-slow or work to rule, it was likely that any reduction in strikes induced by additional legal penalties might well be offset by an equivalent and equally damaging rise in other kinds of sanctions. There is evidence in the surveys which may be said to support this view, in that workers appear to use such sanctions as alternatives, and non-strike sanctions are at least as common as strikes. It follows that those who are in favour of additional legal sanctions against unconstitutional strikers might consider the possibility of including other sorts of sanctions in their schedule of offences, although it could be argued that in practice it would be very difficult in some cases to show that such sanctions were being deliberately and consciously employed.

244. The Paper also suggested that it was reasonable to make a distinction between the occasional use of unconstitutional sanctions by a work group, say, in order to prevent what they regarded as a breach of agreement by

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<sup>1</sup> *Op. cit.*, p. 70.

management, and persistent recourse to strike action in a "strike-prone" plant. The surveys reinforce the case for this distinction. One plant in three has occasional strikes but only three plants in a hundred experience strikes frequently.

245. The surveys also indicate that the great majority of workers, who do not strike frequently, think that unconstitutional strikes are in need of some justification; in effect most of them think that one is not justified in striking unless there has been some provocation from management. The implication surely is that most workers regard strikes as relatively unusual and exceptional reactions to extreme situations. It could be argued that considerations of this kind call for a more selective approach to the use of legal sanctions of the kind discussed in Research Papers 1. In other words, there might be a case for trying to avoid general penalties, which are likely to fall on the occasional striker, confining penalties to those who strike persistently, in situations where workers in general might be expected to think that action of this sort is unjustified. In this way, it might be said, one would hope to concentrate on the atypical minority, who probably do the most damage.

246. But it can be argued that the surveys show that even this more limited approach is capable of being questioned. This is because they indicate that both sides do not regard a mere breach of procedure as proof of unsatisfactory industrial relations. The attitudes toward procedure, and its observance or importance in a given situation, are much more flexible. Both sides openly admit that they themselves "get round" or "short-circuit" procedure, together with all kinds of formal rules. (The usual justification for this habit, as described in Research Papers 1, is that formal rules of all kinds are inflexible and easily get out of date). If rules of all kinds are regarded in this flexible way some may doubt how far the decision to place the force of external law behind a small part of them—in effect those procedural clauses that rule out strikes—would have much effect. It is also arguable that from the workers' point of view action of this kind would seem unfair and partial.

247. This would be more likely to be the case, of course, within a strike-prone firm. For, as was seen from Research Papers 1, it is a feature of many endemic strike situations that a large gap has been allowed to grow between the formal and informal rules (e.g. workers are actually paid more than they are entitled to under formal agreements; stewards enjoy all kinds of *de facto* privileges that are not theirs by right: various questions, like the allocation of overtime, which are supposed to be decided by management, have in fact passed out of their hands and are determined by the work group). Such gaps between the formal rules and the workshop practice are not confined to strike-prone firms; the point is that where they are found in conjunction with the frequent use of unconstitutional action one is in a situation where frequent rule breaking has become the norm. In this case it can be doubted how far attempts to enforce one kind of rule by means of external legal sanctions will make much impact on the total situation, if only because action of this sort would be impinging on an environment in which both sides have in the past encouraged and supported a flexible and permissive attitude towards the observance of rules in general—including the rules of procedure.

248. In this situation, it may be said, until the general environment is changed nothing lasting can be done to improve rule observance. Those who take this view could also argue that what *external* legal sanctions seek to achieve is in practice more likely to be achieved through the stimulus of *internal* rules revision, as a way of devising more suitable rules that will be more closely observed in the future. The relevance of the surveys to this argument is discussed in the section below on the need to extend and reform formal collective agreements, including procedure.

### 3. More Trade Union Discipline

249. As was stated in Research Papers 1, those who suggest additional legal penalties for procedural breaches usually also suggest that trade unions ought to be prepared to discipline members who take unconstitutional action. In an attempt to further this end it is proposed that there should be more legal penalties for breaches of procedure and those who encourage such action. This sometimes takes the form of suggesting that unions, or their officers, should be liable for the acts of their members when breaking procedure, unless they can demonstrate that they have done everything they can to prevent such an eventuality.

250. All these proposals may be said to make a number of assumptions about the relationship between unions and their members which the information from the survey can be said to question. To begin with, they assume that union officers subscribe to the management view of procedural observance—i.e. that all breaches of procedure on the part of workers are unjustifiable. The survey shows that this is not the case. The remarkable thing is that workers, stewards and officers very largely agree about the circumstances in which it is justified to strike in breach of procedure. This means that whatever full-time officers may say in public or in conversation with employers, they have, on the whole, an attitude towards unconstitutional action that is similar to that of their members and stewards. In other words, they are not necessarily in favour of using their disciplinary powers to secure more general observance of procedure.

251. Second, and perhaps still more important, the suggestions assume that, if they wanted to, full-time union officers (and shop stewards for that matter) could act in this way. In effect it is suggested that trade union officers have what might be termed *unused control capacity*. But can this view be sustained in the light of the surveys? Take, for example, the relationship between full-time officers and stewards. The answers given to questions about this relationship tend to confirm and support the general verdict of Research Papers 1 on this question. As the Paper said:

"The evidence of the survey does indicate that trade unions in general, and full-time officials in particular, depend to an increasing extent on a supply of shop stewards who are sufficiently union-orientated to continue to carry out essential organisational and financial functions, and to maintain shop floor loyalty, at some financial loss to themselves. . . . It could be argued that unions are therefore justifiably careful to do what they can

to ensure that it is felt generally that the union appreciates the work that is done on its behalf and does not easily take the side of management against those who do it."<sup>1</sup>

252. Moreover, as the Paper went on, they also confirm that "A trade union leader is not a policeman who can be called in by employers to enforce the law". In short, as the surveys show, trade union leadership is consent leadership, which works by persuasion and argument. To maximise influence within this form of leadership it is necessary first to identify with the objectives and proposed actions of the group, and then seek to guide their subsequent course of activity by urging certain tactical or strategic considerations. Thus while accepting the justifiability of strike action in certain circumstances, a steward may suggest that an equally effective result could be achieved by taking constitutional steps. (Presumably this is what management have in mind when they say that stewards are a moderating influence, and it is why most members say that their stewards are "not at all ready" to urge strikes). The point is that procedural observance is not achieved, in so far as it is achieved, by the exercise of unused control capacity—if only because the steward does not stand in a control relationship with his members.

253. But it may still be argued that even if union officers do not always oppose unconstitutional action and do not have much unused control capacity, this does not destroy the case for trying to force them to do what they can to secure procedural observance. Thus it might be admitted that not much can be expected from making unions, or their officers, liable for the acts of their members when breaking procedure, unless they can demonstrate that they have done everything to prevent such an eventuality. Still, it might be said, why should such a suggestion not be tried? What harm could it possibly do?

254. Many arguments have been adduced for and against a proposal advanced on these grounds, and this is not the place to try to decide between them. However, it appears to the writer that several points arise from the surveys which are of some relevance in the debate. First, it can be said that given the similarity of attitudes towards unconstitutional action such a proposal amounts to an invitation to hypocrisy and deception. In other words, one would be forcing full-time officers and shop stewards publicly to disavow *all* unconstitutional strikes, whatever they may privately think about them. In the case of full-time officers, it might be countered, this is nothing new. After all, most of them are bound, in public and when talking to employers, more or less to uphold the formal sanctity of agreed procedures. Certainly, it is rare to find them openly supporting unconstitutional action.

255. But with shop stewards the situation can be said to be rather different. The surveys confirm that theirs is a close and personal relationship involving daily contact with members and depending upon identification with group objectives and intentions. It may be doubted how far such a position is compatible with systematic hypocrisy concerning group objectives and intentions. Moreover the effect of proposals of this sort would surely be to reduce stewards' influence and effectiveness. Basically, if the law were designed to

<sup>1</sup> *Op. cit.*, p. 72.

compel stewards to counsel procedural observance in all circumstances, one of four developments could occur: (1) Some stewards would practise systematic hypocrisy; they would counsel constitutionalism in public but feel free to react to the realities of the situation, and the feelings of their members, in private. In this way they would hope to retain some tactical and strategic influence, while sailing dangerously close to illegality. (2) Other stewards, in other situations, might feel that they had to take the requirements of the law at their face value; in other words, they would preach constitutionalism in public and private. The likely result of this would be that they would lose the confidence of their members since their reactions to any situation would be both predictable and, from the group's viewpoint, suspect. (3) Some stewards might hope to escape the straight choice between hypocrisy and loss of influence by choosing ignorance. Thus they would seek to know as little as possible about potentially unconstitutional objectives and actions, in the hope that they would not have to counsel anything. (4) But perhaps the most likely eventuality of all is just that there would be a shortage of good stewards. After all, they would be offered a choice between hypocrisy, illegality, and a certain loss of confidence. It seems doubtful if such a mixture would appeal to many of the best of them.

#### 4. More Formal Agreements

256. Research Papers I argued that the existence of widespread informal understandings and agreements at shop floor level can cause confusion and uncertainty which might be removed if more agreements between managers and stewards were written down. It also suggested that since regard for the rules is to some extent a function of their overall utility it might help if some of the *de facto* practices that supplement existing *de jure* procedures were formalised and embodied in new and expanded procedure agreements. But the Paper also indicated that there were other considerations which had to be borne in mind. Stewards have an interest in keeping things on an informal basis when it helps them to slide forward the frontier of their influence but they also have an interest in getting present privileges put on a formal basis. Managers only want to preserve restrictive procedures when they think it helps them to have the formal rules on their side. In other words, the argument about whether or not there should be a move towards more formal substantive and procedure agreements at workshop level is a complex one, and proposals for widespread general advances towards formalisation are likely to meet with resistance by one or both sides.

257. Since the publication of Research Papers I, however, the argument for more formal workplace agreements has received additional support, both in evidence presented to the Commission and in other publications.<sup>1</sup> Essentially the argument as it is now advanced concerns the need to avoid what might be termed unco-ordinated and inequitable dispute settlement. It is argued that most workplace bargaining results from informal settlements between stewards and management affecting small numbers of workers. These bargains result from the operation of existing dispute procedures, which

<sup>1</sup> See, for example, *Collective Bargaining: Prescription for Change*, by Allan Flanders, Faber, 1967, and Report No. 49 of the Prices and Incomes Board, HMSO, 1967.

put a premium on settlement at the lowest level and discourage the planned co-ordination of wages and conditions throughout a plant or enterprise. Because most disputes are settled in an unco-ordinated and isolated way they frequently lead to anomalies and to what Research Papers I called "coercive comparisons"—i.e. demands on grounds of "equity and justice" on behalf of other groups who have not received similar increases. Yet, as a recent report of the Prices and Incomes Board on the engineering industry pointed out, although "there ensues a struggle for an adjustment to remedy the inequity", this may not be fully secured. The result often is that a feeling of inequity persists, even when "the struggle for adjustment... is none the less inflationary in its consequences".<sup>1</sup>

258. To break out of this frustrating, inequitable and inflationary circle it is suggested that one needs more formal rules of a special kind. So far as substantive rules are concerned it is proposed that what is required is a planned wage-work structure for an entire plant or firm; that is to say, a plant-wide agreement which determines the relationship between pay and work for each of the main grades employed. Obviously if such an agreement is to have any chance of remaining effective it must be formally negotiated and go into considerable detail. On the level of procedural rules what is usually advocated is a representative plant-wide negotiating committee, with formal powers to settle pay-work relationships along the lines spelt out above. This would presumably contain leading stewards from all the main unions and/or their full-time union officers. (Disputes procedure *below* the level of the plant negotiating committee could remain more informal, since it would presumably be mainly entrusted with the task of applying and interpreting the plant-wide agreement to particular individuals or small groups.<sup>2</sup>)

259. Obviously the surveys do not enable one to decide whether or not there is a case for more formal agreements of this kind, but they may be said to contain information which is relevant to the question. To begin with, they show that informal dispute settlement by shop stewards on behalf of small groups is very widespread, and that it stretches far beyond the engineering industry. On the other hand, this type of settlement does seem to have led to the emergence of plant-wide negotiating committees of one kind or another in most firms, although it is not known how far they perform co-ordinating functions at the moment. The evidence of widespread short-circuiting, and the toleration of various informal short cuts, would also seem to show that in most plants there is no great insistence on compliance with existing national procedures, which almost all rule out such practices. But it is necessary to point out that four out of ten managers have found it necessary to establish their own written domestic procedure to supplement and if necessary offset the effects of the national procedures. (Unfortunately it is not known how far these domestic procedures themselves encourage formal plant-wide agreements of the kind described above). Finally, the surveys indicate that within the framework of overall satisfaction significant minorities regard the present pay system as internally inequitable, or at least capable of improvement.

<sup>1</sup> PIB Report, *op. cit.*, p. 40.

<sup>2</sup> In the case of piece work, the plant agreement might stipulate piece work standards based on agreed norms. Dispute settlement below plant level would then be concerned with applying such norms to particular cases in a consistent way.

260. In general it may be said that the survey results convey the impression that suggestions for more formal plant-wide bargaining should perhaps not be viewed as demands for totally new ways of behaving. Thus it may well be that in many of the firms studied, dispute settlement was not totally unco-ordinated, in that managers at plant level were seeking to take into account the subsequent effects of deciding particular fractional disputes in different ways. What they were almost certainly not doing was working within the acknowledged and explicit framework of a formal plant agreement.

261. Finally mention must be made of the practical implications of the fact that among medium and large sized plants it seems that a multi-plant management structure is the norm. The most obvious consequence of this fact is that co-ordination and the planning of wage-work relationships on the management side is not just a matter for plant-level management. Indeed to have a chance to negotiate plant-level agreements of the kind suggested in earlier paragraphs, plant-level management must secure the support and backing of management at the multi-plant or company level.

262. Nor is this all. Even if individual plant management is successful, so that there is planned co-ordination of wage-work relationships in individual plants in a multi-plant company, this can still lead to problems and demands for the removal of inequities from one plant to another. (Indeed it is part of the job of the shop steward combine committees mentioned in the survey and in Research Papers I to exploit these anomalies).

## 5. Integrating Shop Stewards into the Union

263. It is frequently suggested that considerable benefits would follow if the activities of shop stewards and their members were more fully integrated into union structure. "Integration" can mean different things, but in Research Papers I several possible meanings were considered in the light of information available at the time.

264. To begin with, the effects of basing branches on the place of work were discussed. It was thought that this might be advantageous on several grounds. First, there was very limited evidence that it led to higher branch attendance and participation by shop stewards in the administration of the union. Second, it clearly gave full-time trade union officers a chance to make contact with their members in a particular firm without the need to seek the co-operation of management. The information collected in the surveys, and analysed so far, tends to make one doubt the effect of this kind of limited "integration". This evidence makes one doubt how far formal union meetings held outside the workplace, and after working hours, can hope to take the place of the informal and unofficial workplace gathering.

265. The obvious conclusion to draw from this is that if the proposed benefits of integration are to be achieved it should mean more than abolishing geographically-based branches. Workplace-based branches are required; but they should also aim to hold their meetings at the place of work, if possible within working hours. In effect this means that the present unofficial and informal gatherings must be *transformed* into branch meetings. In other words, as in printing chapels, whenever members meet at the place of work

they can hold a formal branch meeting. Only in this way will there be any chance for formal union institutions to mean much to the great majority of members. But, of course, there are problems involved in suggesting a course of this kind, and one of the most important of these is the problem of multi-unionism.<sup>1</sup>

266. The problems of multi-unionism were discussed in Research Papers 1, but it is arguable that the information contained in the surveys indicates that they are more widespread than was thought. It is now clear that a large proportion of shop floor meetings are multi-union in character, and that many shop stewards find it necessary to meet regularly with stewards from other unions in order to formulate workshop policy. When considering the possibilities of "integration" one is bound to ask what is to be done about such informal and unofficial contacts as these.

267. In Research Papers 1 the suggestion was made that one possible solution would involve a transfer of authority from individual unions to bodies like the Confederation of Shipbuilding and Engineering Unions. These bodies could then form integrated multi-union branches in particular places of work, and they could take over the functions of existing multi-union meetings and committees. But there is another possibility that suggests itself, in the light of what has been written above about the case for more formal collective agreements. It would be possible for the parties, in signing such agreements, to make formal provision for multi-union workplace meetings of both stewards and their members. In effect the right to hold such meetings, together with the right to have full-time officers with members involved present, would be part of the new plant procedure agreement. Individual unions, by signing such an agreement, would in effect be sanctioning integrated multi-union branch meetings, without passing any authority over to bodies like the Confederation.

268. This proposal would have at least two advantages. First, it would help to ensure that the integration of shop stewards and their activities into union structure was accompanied by the kind of changes in collective bargaining rules that are most likely to make such integration meaningful. Second, if this procedure is followed, it should be possible to make suitable adjustments to take into account the varying strengths of individual unions within particular places of work. Thus in a plant dominated by the AEU that union would have the major share of any positions of procedural policy-making committees. Similarly, in a plant where the TGWU is strong, care can be taken to safeguard its position.<sup>2</sup>

<sup>1</sup> Another problem is that workshop-based branches that aim to inherit the functions of informal shop floor meetings would have to be small, since workers meet in relatively small groups for most shop floor meetings to discuss particular problems affecting their group. Yet for administrative convenience most unions are moving towards large branches, often with full-time officers. One solution to this problem would be to break large branches up into smaller sections for representational purposes. In the case of a large engineering plant this might mean one branch for all AEU members, but six or seven sections within that branch representing the main work groups involved.

<sup>2</sup> By comparison the formation of Confederation branches, under Confederation District Committees, would be likely to be a much less flexible device. It would also meet with more resistance on the part of local groups who felt that they were in a relatively weak position on their local Confederation District Committees.

## 6. Other Implications

269. So far this chapter has reconsidered suggestions first discussed in Research Papers 1. This section deals very briefly with certain other implications to be derived from the surveys. They are discussed under three headings, according to whether they require action from unions, management or government.

### *Unions*

270. Three implications should be briefly mentioned. *First*, if union leaders really wish to improve their direct contacts with their members and increase rank and file participation and involvement, the surveys show that they will need management help. This is what will be required if "integration" is to mean anything; i.e. if there are to be regular and well-attended branch meetings and more regular contact between full-time officers, stewards and members. Union leaders who reject management help, or are unable to obtain it, must be content to continue to work through shop stewards. *Second*, those who try to move in the directions suggested above are likely to find that one obstacle is the attitude and work-load of their existing local officers. Most officers do not wish to take on a more active role in workshop relations, and if unions are serious in wanting them to do so they will probably need many more officers. *Third*, on the evidence of the survey, the money required to provide more officers should be forthcoming, so long as union leaders are able to present their demands for higher subscriptions in a sufficiently attractive way.

### *Management*

271. All the points that need to be discussed under this heading concern the role of top management in initiating planned and controlled change. To begin with, the surveys lead one to doubt how far managers would accept changes which employers' associations wished to force upon them even if it were not the case that the associations themselves do not see this as part of their role. It is also evident that trade unions cannot go far in bringing about planned and controlled change in the workshop even if they wanted to. Certainly the kind of overall review of formal procedures and substantive agreements which was suggested above will require the enthusiastic involvement of top management for they alone know the changes required to meet the demands of new wage structures and systems of work. Indeed, even those formal changes of rule which unions can initiate and carry out on their own initiative—e.g. those which arise out of the aim of "integration"—are not likely to be very effective unless they are accompanied by other changes in management rules and collective bargaining arrangements which are designed by management to help unions in this respect. It is also interesting to note that when workers, stewards and managers are asked about ways of improving labour utilisation or work arrangements very few suggest things which the unions ought to do. Most of them demand things which, on examination, depend on management initiative; e.g. a closer watch on bad time-keeping, more effective supervision, or the motivation of men to work more effectively and consistently.

272. These examples of the importance of management initiative if planned and controlled change is to be stimulated take on a special importance if one

considers the fact that among the firms studies multi-plant companies are the rule. Presumably this means that most planned change on any scale must be agreed, if not initiated, by management above the level of the individual plant.

#### Government

273. Two points may be made under this heading. First, the surveys could be regarded as evidence in support of those who have argued that there is a need for some kind of external or statutory machinery to deal with cases of alleged victimisation or unfair dismissal. It is true that the proportions saying that they fear treatment of this kind are not evidence that there is unfair treatment on this scale; nevertheless they do indicate that those who suggest that there is no dissatisfaction with the working of present procedures for dealing with disciplinary questions are wrong.

274. Finally, those who have argued that there is need for some public agency to encourage the reform of formal procedures may wish to argue that there is support for their views in the surveys. Suggestions of this kind have been advanced in an earlier Research Paper published by the Royal Commission: *Disputes Procedures in British Industry*.<sup>1</sup> It is worth noting in this respect that the surveys confirm the description in that Paper of a network of informal customs and practices which have grown up on an *ad hoc* basis as management struggled to come to terms with the rapid "growth of workshop bargaining and the largely informal growth of trade union workshop organisation".<sup>2</sup> They also support the contention in the Paper that on the whole the parties to the procedural process at workshop level are content to rely on piece-meal adaptation, that they express very little general criticism of the operation of existing procedures, both formal and informal, and that they appear to have few external standards by which to judge them. Thus they could be said to reinforce its conclusion; that if planned and radical change is to be accomplished—say, in the direction of more formal plant and company agreements for the reasons suggested in section 4 above—there is a need for a public agency, which could establish principles, procedural competence and conduct investigations into the efficacy of existing arrangements. As the Paper suggests, this could mean that the Government would have "to take a more positive view than in the past on what kind of procedural arrangements are desirable for both manual and non-manual workers, and to work towards the establishment of standards of procedural behaviour which are sometimes not attained under the current procedural system".<sup>3</sup>

275. It is obviously too much to suggest that the surveys prove the need for such an agency, or even that they demonstrate that there is a public interest in procedural reform. What they do is describe, in a much more representative and comprehensive way, a pattern of procedural behaviour that has usually been assumed by those who argue in this way. In other words those convinced by such arguments can at least take comfort in the fact that the evidence from the shop floor does not appear to contradict them.

<sup>1</sup> HMSO, Part 1, 3s. 6d. net. Part 2, 11s. 0d. net.

<sup>2</sup> *Op. cit.*, p. 27.

<sup>3</sup> *Ibid.* Part 2.

## LIST OF TABLES

1. Stewards' Training Courses.
2. Full-time Officers' Training Courses.
3. Workplace Meetings of Stewards.
4. Reasons for Stewards Giving Up the Job.
5. Ways in which Stewards Said They Increased Members' Earnings.
6. Arguments Used by Stewards to Increase Members' Earnings (Un-prompted).
7. Which of Stewards' Arguments Considered the Most Important.
8. Stewards' Range of Bargaining.
9. Managers' Estimates of the Increase in the Use of Procedure in Recent Years.
10. Stewards' Index of Satisfaction.
11. Full-time Officers' Index of Satisfaction.
12. Works Managers' and Personnel Officers' Index of Satisfaction.
13. Foremen's Index of Satisfaction.
14. Workload of Full-time Officers.
15. Stewards' Attendance at Union Branch Meetings.
16. Payment by Results—Extent and Attitudes.
17. Details of Strikes.
18. Other Forms of Pressure.
19. Attitudes to Strike Action.
20. Cases known by Members in which a Member was Disciplined or Punished by (Members of) the Union.
21. Time-wasting and Inefficient Labour Practices.
22. Industrial Distribution of Stewards.
23. Social Class of Union Members and Non-unionists.
24. Industrial Distribution of Union Members and Non-unionists.
25. Industries in which Full-time Officers Have Members.
26. Industrial Distribution of Plants (Surveys of Management).

TABLE 1  
*Stewards' Training Courses*

TABLE 2  
*Full-time Officers' Training Courses*

	Per cent		Per cent
<i>Purpose:</i>		<i>Purpose:</i>	
To help in negotiations or dealings with management ...	56	Aspects of Union work and related academic subjects ...	75
Background/Social studies ...	35	Industrial techniques	22
Practical courses, e.g. letter writing, methods of controlling meetings, etc. ...	8		
<i>Organising Body:</i>	Per cent	<i>Organising Body:</i>	Per cent
The Union ...	63	The Union ...	47
The Employer ...	12	The TUC ...	22
The TUC ...	9	National Council of Labour Colleges	12
National Council of Labour Colleges	8	Universities, Colleges, WEA's	11
<i>Type of Course:</i>	Per cent	<i>Type of Course:</i>	Per cent
Weekend course ...	33	One-week course ...	31
One-week course ...	28	Correspondence ...	21
Correspondence course ...	20	Weekend course ...	16
Day release ...	10	Residential for over 1 week ...	16
Residential for over 1 week ...	4	Evening class ...	7
Evening class ...	3	Day release ...	3
<i>Whether steward thought course helped him in job as steward:</i>	Per cent	<i>Whether officer thought course helped him in job:</i>	Per cent
A lot ...	77	A lot ...	81
A little ...	17	A little ...	16
Not at all ...	6	Not at all ...	3

Note: All percentages are based on the total number of courses for which details were obtained—631 for stewards and 468 for officers.

TABLE 3  
*Workplace Meetings of Stewards*

	Own Union, Own Workplace	Different Unions, Own Workplace	Own Union, Different Workplaces	Different Unions, Different Workplaces
<i>Organised by:</i>	Per cent	Per cent	Per cent	Per cent
Stewards ... ... ...	75	80	36	52
Full-time officers ... ... ...	19	15	60	45
Convenor/Senior stewards ... ... ...	4	4	1	1
Branch secretary/chairman ... ... ...	2	1	3	2
<i>Frequency of Meeting:</i>				
Irregular/no set interval ... ... ...	34	33	32	55
Weekly ... ... ...	6	5	1	2
Fortnightly ... ... ...	5	4	4	—
Monthly ... ... ...	48	50	29	26
Every 2 months ... ... ...	1	2	1	3
Quarterly ... ... ...	6	6	33	14
<i>Whether Steward Thought Meetings Important:</i>				
Very important ... ... ...	82	81	77	82
Fairly important ... ... ...	16	16	18	16
Not very important ... ... ...	2	3	5	2

TABLE 4  
*Reasons for Stewards Giving Up the Job*

	Members* Per cent	Stewards* Per cent	Ex-Stewards† Per cent
Left firm/sacked/retired/died ... ...	35	38	33
Promoted ... ... ...	10	11	9
Transferred to different department ...	2	7	12
Difficulties with management ...	—	—	5
<i>Total Employment Changes/Management Action</i> ... ...	47	56	59
Defeat in election ... ... ...	14	14	9
Dissatisfied/no co-operation ... ...	7	8	7
Stewards take it in turn ... ...	5	—	—
Policy disagreement ... ...	—	—	6
<i>Total Relations with Members or Union</i> ... ...	26	22	22
Domestic reasons/ill-health ... ...	5	4	5
Could not cope ... ...	2	4	—
Took too much time ... ...	—	—	3
<i>Total Personal Reasons</i> ... ...	7	8	8
Other reasons/don't know/not answered	20	14	11

\* Refers to previous steward.

† Refers to themselves.

TABLE 5  
*Ways in which Stewards Said They Increased Members' Earnings*

							Per cent
Production/shift bonuses	...	...	...	...	...	...	30
Piece work allowance/price of job	...	...	...	...	...	...	17
Special allowances (for danger, responsibility, dirty work, etc.)							14
Bringing earnings into line with other workers	...	...	...	...	...	...	13
Merit money	...	...	...	...	...	...	13
General or flat increases	...	...	...	...	...	...	11
Up-grading	...	...	...	...	...	...	6
Overtime	...	...	...	...	...	...	5
Cost of living allowance	...	...	...	...	...	...	*

\* less than 0·5 per cent.

(Percentages add to more than 100 because some stewards gave more than one way.)

TABLE 6  
*Arguments Used by Stewards to Increase Members' Earnings (Unprompted)*

							Per cent
Changes in/abnormal conditions of work	...	...	...	...	...	...	22
Changes in the nature of the job	...	...	...	...	...	...	21
Amount of work done-produced	...	...	...	...	...	...	18
Quality of labour/of the job/knowledge	...	...	...	...	...	...	17
Comparisons with other workers in the same place of work	...	...	...	...	...	...	14
Comparisons with other workers in different places of work	...	...	...	...	...	...	13
Job evaluation/targets unrealistic/piece rates too low	...	...	...	...	...	...	10
Cost of living	...	...	...	...	...	...	9
Level of profits in the firm	...	...	...	...	...	...	3
Other answers	...	...	...	...	...	...	10

(Percentages add to more than 100 because some stewards gave more than one argument).

TABLE 7  
Which of Stewards' Arguments Considered the Most Important by:

	Stewards	Foremen	Works Managers	Personnel Officers
Abnormal conditions of work ...	Per cent 18	Per cent —	Per cent 10	Per cent 5
Change in nature of job including modernisation ...	15	17	16	18
Comparisons with other workers in the same place of work ...	13	19	11	9
Cost of living ...	12	10	13	13
Comparisons with other workers in different places of work ...	9	15	19	20
Amount of work done/produced ...	8	11	6	6
Job evaluation/targets unrealistic/piece rates too low ...	6	8	8	9
Quality of labour/of the job/knowledge ...	6	4	6	6
Level of profits in the firm ...	4	4	1	1
Changes in conditions of work or hours ...	—	6	1	1

TABLE 8  
Stewards' Range of Bargaining

Type of Issue	Discussed and settled:			
	As Standard Practice	Rarely	Ever (Grouped)*	As Standard Practice (Grouped)*
(a) <i>Wage Issues:</i>	Per cent	Per cent	Per cent	Per cent
Piece work prices ...	20	8	83	56
Other forms of bonus payments ...	25	18		
Plus payments for dirty work, etc. ...	19	20		
Job evaluation ...	20	13		
Allowances of any other kind ...	20	16		
Merit money ...	17	16	89	73
Up grading ...	24	21		
(b) <i>Working Conditions:</i>				
Distribution of work ...	25	18		
Pace of work ...	22	16		
Quality of work ...	27	12	75	49
Safety questions ...	54	18		
Health questions ...	40	20		
Manning of machines ...	21	12		
Transfer from one job to another ...	33	23		
General conditions in the workplace ...	56	18	67	34
Introduction of new machinery/jobs ...	23	16		
(c) <i>Hours of Work:</i>				
Level of overtime ...	34	13		
Distribution of overtime ...	34	14		
Breaks in working hours ...	23	16		
Stopping and starting times ...	24	20		
(d) <i>Discipline</i>			67	34
Reprimands by the foreman ...	26	28		
Suspensions ...	22	20		
Dismissals ...	23	26	67	43
(e) <i>Employment Issues:</i>				
Taking on new labour ...	24	16		
Number of apprentices ...	10	8		
Acceptance of up grading ...	21	14		
Short time ...	15	9		
Redundancy questions ...	20	16		

\* I.e. those who discussed and settled at least one of the issues within each group.

Note: A small number of stewards said they also discussed and settled holidays or annual leave and a few other issues, but since these points were not put to all stewards no figures are shown.

TABLE 8A  
*Stewards' Range of Bargaining*

	All Unions	TGWU	AEU	NUGMW	ETU	NUR	AUBTW
<i>Number of Issues Discussed and Settled:</i>							
None ... ... ...							
None ...	16	18	10	21	16	4	24
1-3 ...	22	18	22	25	32	10	19
4-6 ...	18	17	21	17	15	14	15
7-10 ...	17	20	18	11	14	22	15
11-15 ...	15	14	14	16	16	28	18
16 or more ...	12	13	15	10	7	22	9
Average number of issues ...		7	7	8	6	11	6

TABLE 9  
*Managers' Estimates of the Increase in the Use of Procedure in Recent Years*

	Works Managers	Personnel Officers		Works Managers	Personnel Officers
<i>Within the Plant the use of Procedure has:</i>	Per cent	Per cent	<i>Estimate of Increase Within the Plant:</i>	Per cent	Per cent
Increased ...	29	44	Under 25 per cent	15	19
Decreased ...	3	4	25-49 per cent ...	20	21
Remained the same	65	48	50-74 per cent ...	19	19
			75-99 per cent ...	2	—
			100 per cent or more ...	13	15
			Substantial ...	4	—
<i>Above Plant Level the Use of Procedure has:</i>			<i>Estimate of Increase Above Plant Level:</i>		
Increased ...	17	28	Under 25 per cent	15	16
Decreased ...	4	4	25-49 per cent ...	9	23
Remained the same	57	52	50-74 per cent ...	15	23
			75-99 per cent ...	6	6
			100 per cent or more ...	21	10
			Substantial ...	6	—

TABLE 10

*Steward's Index of Satisfaction*

(The questions used in the index were: satisfaction with opportunity to contact members at the workplace, opinion of management's reasonableness in dealing with issues raised, satisfaction with facilities for dealing with grievances and claims, opinion of management efficiency, opinion of management's attitude to trade unions, and opinion of management's dealing with workers who break rules.)

	All	TGWU	AEU	NUGMW	ETU	Engineering*	Chemicals*
Satisfied with all 6 items	Per cent	Per cent					
Dissatisfied with 1	73	72	70	78	69	69	86
Dissatisfied with 2	15	14	16	13	15	17	9
Dissatisfied with 3	6	7	7	5	10	7	5
Dissatisfied with 4-6	3	4	4	1	2	3	—
Dissatisfied with 4-6	3	3	3	3	4	4	—

\* in the 4 unions named, weighted to represent the proportionate total of stewards in each union.

	Age 60 or over	Age under 30	No strikes at workplace	Frequent strikes at workplace	No other forms of pressure used*	Other forms of pressure used 5 or more times*	Never met F.T.O.*	Met F.T.O. 26 or more times*
Satisfied with all 6 items	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Dissatisfied with 1	87	61	76	46	79	43	78	58
Dissatisfied with 2	10	25	13	28	11	29	16	23
Dissatisfied with 3	2	6	5	23	5	13	3	8
Dissatisfied with 4-6	—	5	3	—	2	4	2	7
Dissatisfied with 4-6	1	3	3	3	3	11	1	4

\* in the last 12 months

TABLE 11

*Full-time Officers' Index of Satisfaction*

(The questions used in the index were: satisfaction with procedures for dealing with grievances and claims, opinion of management efficiency, opinion of management's attitude to trade unions, opinion of management's reasonableness in dealing with issues raised, whether given sufficient access to members and stewards, and opinion on whether officers had sufficient influence over the activities of stewards and members.)

	All	TGWU	AEU	NUGMW	ETU and AUBTW
Satisfied with all 6 items	Per cent				
Dissatisfied with 1	54	59	20	58	59
Dissatisfied with 2	28	29	30	27	24
Dissatisfied with 3	12	9	30	12	10
Dissatisfied with 4-6	4	2	20	3	—
Dissatisfied with 4-6	2	1	—	—	7

	Age 55 or over	Age under 45	Responsible for under 16 plants	Responsible for over 30 plants
			Per cent	Per cent
Satisfied with all 6 items	... ... ... ... ...	67 26 3 2 2	43 35 16 5 1	68 23 7 2 —
Dissatisfied with 1	...	...	—	—
Dissatisfied with 2	...	...	—	—
Dissatisfied with 3	...	...	—	—
Dissatisfied with 4-6	...	...	—	—

TABLE 12  
*Works Managers' and Personnel Officers' Index of Satisfaction*  
 (figures for Personnel Officers in brackets)

(The questions used in this index were: whether would like to see full-time officers play a more important part in plant negotiations, opinion on stewards' efficiency as workers' representatives, opinion on the working of the procedure for dealing with grievances and claims, and opinion on the reasonableness of stewards' demands.)

	All	Metal Handling	Other Manufacturing
Satisfied with all 4 items	79 (68)	74 (67)	85 (70)
Dissatisfied with 1	16 (29)	19 (30)	13 (26)
Dissatisfied with 2	4 (3)	6 (3)	2 (4)
Dissatisfied with 3	1 (—)	1 (—)	— (—)
	Forms of pressure other than strikes	Think there are ways in which the organisation of work in plant could be improved if free to arrange labour force	
	Used twice or more in last 12 months	Not used since in present post	Yes No
Satisfied with all 4 items	70 (49)	87 (84)	67 (56) 91 (78)
Dissatisfied with 1	21 (44)	10 (13)	26 (39) 7 (20)
Dissatisfied with 2	7 (7)	3 (3)	6 (5) 2 (2)
Dissatisfied with 3	2 (—)	— (—)	1 (—) — (—)

TABLE 13  
*Foremen's Index of Satisfaction*

(The questions used in this index were: opinion on stewards' efficiency as workers' representatives, opinion on the working of the procedure for dealing with grievances and claims, opinion on the reasonableness of stewards' demands, opinion on the speed of dealing with complaints and claims, and satisfaction with amount of authority to deal with issues raised by stewards.)

	All	Metal Handling	Other Manufacturing
Satisfied with all 5 items	Per cent	Per cent	Per cent
Dissatisfied with 1	82	79	86
Dissatisfied with 2	11	13	9
Dissatisfied with 3-5	6	7	4
	1	1	1
	Organisation of work done by people supervised	Forms of pressure other than strikes used since becoming foreman	
	Could be better	Well enough already	Yes No
Satisfied with all 5 items	Per cent	Per cent	Per cent
Dissatisfied with 1	73	88	78
Dissatisfied with 2	16	8	16
Dissatisfied with 3-5	8	4	4
	3	*	2
* less than 0.5 per cent.			

TABLE 14  
*Workload of Full-time Officers*

	All Unions	TGWU	AEU	NUGMW	ETU	AUBTW
Average no. of stewards for whom each officer responsible ...	172	120	477	169	232	33
Average no. of stewards contacted in last four weeks ...	89	96	132	65	94	30
Proportion of stewards contacted in last four weeks ...	52%	80%	28%	38%	41%	91%

TABLE 15  
*Stewards' Attendance at Union Branch Meetings*

	All Unions	TGWU	AEU	NUGMW	ETU	NUR	AUBTW
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Attended all ...	28	34	20	32	13	46	31
Attended over $\frac{3}{4}$ ...	16	17	18	11	17	31	18
Attended over $\frac{1}{2}$ ...	15	13	18	11	15	10	11
Attended over $\frac{1}{4}$ ...	15	11	21	13	20	10	8
Attended up to $\frac{1}{4}$ ...	10	7	12	8	23	2	18
Attended none ...	13	15	11	15	12	1	13
Branch did not meet	3	3	—	10	—	—	1

TABLE 16  
*Payment by Results—Extents and Attitudes*

(a) Proportion of Stewards' Members on Payment by Results

	All Unions	TGWU	AEU	NUGMW	ETU	NUR	AUBTW
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
All ...	26	28	25	27	21	38	43
Most ...	14	14	17	15	5	32	13
A minority ...	4	5	3	7	*	12	1
None ...	55	52	54	50	74	16	43
Don't know ...	1	1	1	1	—	2	—

\* Less than 0·5 per cent.

(b) Reasons for Wanting to Change from Payment by Results

	Percent
Bonus earnings lead to inequalities in pay/splits up the men	...
Bonus rates make earnings fluctuate ...	...
Flat rate/weekly wage better ...	...
Leads to bad/shoddy work ...	...
Bonus is hard to earn ...	...
The type of work is not suitable for a bonus system ...	...
Favours management/disadvantageous to workers ...	...
Other reasons ...	20

(c) Reasons for Wanting to Change to Payment by Results

	Percent
Incentive/make more money ...	71
More productivity ...	30
Fairer to hard workers ...	13
Other reasons ...	18

TABLE 17  
Details of Strikes

	Stewards	Members	Non-Unionists	Works Managers	Personnel Officers	Foremen
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
<i>Has there been a strike at your place of work since you took present post?</i>						
Yes ...	40	34	11	30	35	28
No ...	60	66	89	70	65	72
<i>How often have strikes occurred?</i>						
Frequently ...	4	4	1	*	2	1
Seldom ...	20	15	4	15	18	10
Once only ...	16	15	6	15	15	17
<i>Was the strike official?**</i> ...						
Official ...	28	67	23	29	14	38
Unofficial ...	69	26	77	71	85	55
<i>What was the last strike about?</i>						
Wage issues ...	47	56	—	50	50	46
Working conditions ...	16	2	—	9	9	19
Hours of work ...	7	6	—	5	7	10
Discipline ...	14	5	—	4	5	6
Other causes ...	19	19	—	31	27	14
<i>Was procedure exhausted within firm/notionally before last strike?†</i>						
Yes, in firm ...	58	—	—	30	19	30
No ...	34	—	—	63	79	50
<i>If procedure exhausted in firm:</i>						
Yes, nationally ...	(16)	—	—	(6)	(7)	(9)
No ...	(40)	—	—	(22)	(12)	(16)
<i>Could the same result have been obtained without strike by going through procedure?</i>						
Yes ...	32	—	—	71	79	80
No ...	49	—	—	14	8	10
<i>Was a full-time Union Officer sent for?</i>						
Yes ...	64	—	—	57	55	61
No ...	26	—	—	38	40	25
<i>If yes:</i>						
At time of decision ...	(27)	—	—	(19)	(21)	(22)
After strike had begun ...	(35)	—	—	(35)	(31)	(33)

\* Less than 0·5 per cent.

\*\* These and subsequent percentages are based only on informants who had experienced strikes.

† Based on those in plants with a procedure (at least 89 per cent of all).

TABLE 17—continued

	Stewards	Members	Non-Unionists	Works Managers	Personnel Officers	Foremen
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
<i>Number of unions involved:</i>						
One ...	49	59	45	78	70	69
Two ...	17	13	14	10	17	13
Three ...	9	8	9	4	5	5
Four ...	9	2	7	3	3	2
Five ...	6	3	2	1	—	1
Six ...	4	2	—	3	5	—
Seven or more	3	2	—	1	—	—
<i>Number of workers involved:</i>						
Under 100 ...	30	31	32	61	43	45
100-499 ...	36	21	23	30	50	32
500 or more ...	23	23	18	5	5	11
Exceeds number at workplace	6	12	9	2	—	—
<i>How long strike lasted:</i>						
Less than 1 day	19	14	11	29	36	29
1 day ...	34	34	16	35	38	31
2-6 working days/1 week	31	28	44	27	14	20
7-12 working days/2 weeks	6	8	7	4	5	6
13-18 working days/3 weeks	4	4	4	1	2	2
19-24 working days/4 weeks	2	2	—	1	—	2
25 working days/5 weeks or more ...	2	8	11	3	5	3
<i>How decision to strike was taken:</i>						
Shop-floor/site meeting ...	76	49	48	77	83	70
Branch meeting ...	6	19	11	3	7	2
National level	10	26	16	9	7	16
<i>Was a senior steward sent for before the strike took place? ...</i>						
Yes ...	71	—	—	45	50	47
No ...	20	—	—	52	45	36
<i>Did the strike help to achieve a more favourable settlement?</i>						
Yes ...	75	61	41	19	10	20
No ...	19	32	46	80	81	66

TABLE 18  
*Other Forms of Pressure*

	Stewards	Members	Works Managers	Personnel Officers	Foremen
	Per cent	Per cent	Per cent	Per cent	Per cent
<i>Those who have experienced these since taking present post:</i>					
Threats to strike ...	30	10	33	46	20
Overtime bans ...	42	19	33	48	22
Working to rule ...	28	12	18	27	10
"Go-slow's" ...	12	7	18	23	7
No, none used ...	41	66	45	32	66
<i>Frequency during previous 12 months:</i>					
Never in 12 months ...	61	—	57	40	80
Once ...	18	—	20	26	11
Twice ...	10	—	7	14	4
3 or 4 times ...	7	—	5	10	4
5 or more times ...	4	—	6	10	1
<i>Which of strikes and other pressures were found to be effective by those who had experience of both:</i>					
Strike more effective ...	67	—	29	26	32
Strike less effective ...	25	—	39	57	45
Don't know ...	8	—	32	17	23

TABLE 19  
*Attitudes to Strike Action*

	Stewards	Members	Full-time Officers
	Per cent	Per cent	Per cent
<i>Those who think workers are justified in withdrawing their labour or using other forms of pressure in breach of procedure:</i>			
If management has broken an agreement ...	77	74	62
If management appears to be resorting to unreasonable delay in dealing with grievances ...	70	62	67
If there is no other way of preventing management from discharging a workmate unfairly ...	78	69	73
In any situation where they think that by acting in this way they can get what they want ...	23	27	11

TABLE 20

*Cases Known by Members in which a Member was Disciplined or Punished  
by (Members of) the Union*  
(Details of last case known)

	Personally Involved						Not Personally Involved					
	All	All Personally Involved	Lapsed Subscriptions	Disobeying Union Rules	Strike-Breaking	Overtime Dispute	All	All Not Personally Involved	Lapsed Subscriptions	Disobeying Union Rules	Strike-Breaking	Overtime Dispute
<i>NOTE: Numbers shown are actual numbers of cases and not percentages.</i>												
<i>Where case was considered:</i>												
At a shop floor meeting ...	45	10	3	2	0	2	2	1	35	15	3	7
Branch meeting ...												
Other ...												
Not answered ...												
Total ...	45	10	3	2	0	2	2	1	35	15	3	7
<i>Whether the union was officially involved:</i>												
Yes ...	40	9	3	2	—	—	2	—	31	15	3	7
No ...	3	1	—	—	—	—	—	1	—	—	—	—
Don't know ...	2	—	—	—	—	—	—	—	—	—	—	—
Total ...	45	10	3	2	0	2	2	1	35	15	3	7
<i>How the member was disciplined:</i>												
Expelled ...	12	4	2	1	—	—	—	—	—	—	—	—
Fined ...	22	4	1	—	—	—	—	—	16	8	—	—
Ordered to pay subscription arrears ...	—	—	—	—	—	—	—	—	—	—	—	—
Suspended from union ...	—	—	—	—	—	—	—	—	—	—	—	—
Other ...	—	—	—	—	—	—	—	—	—	—	—	—
Don't know ...	4	1	—	1	—	—	—	—	3	—	—	—
Total ...	45	10	3	2	0	2	2	1	35	15	3	7
<i>Whether considers the matter was dealt with fairly or unfairly:</i>												
Fairly ...	40	9	3	2	—	—	2	—	31	14	3	7
Unfairly ...	4	—	—	—	—	—	—	1	9	1	2	1
Don't know ...	1	—	—	—	—	—	—	—	1	—	—	—
Total ...	45	10	3	2	0	2	2	1	35	15	3	7

TABLE 21  
*Time-wasting and Inefficient Labour Practices*

	Works Managers	Personnel Officers
(a) Whether these exist, and if so, what they are:	Per cent	Per cent
Wasting time by extending breaks, smoking in toilets ...	16	25
Late arrival, early leaving ...	10	9
Insistence on job demarcation, refusal to do alternative work ...	9	19
Wasting time by slow working, not putting in a fair day's work ...	6	6
Overmanning, spreading work among too many workers; mate always accompanying skilled worker ...	5	2
Technical inefficiencies ...	3	5
Absenteeism ...	3	4
Insistence on employing craftsmen, opposition to using semi-skilled or unskilled labour ...	3	2
Opposition to modern methods or machines ...	1	2
Other inefficient practices ...	4	7
No inefficient practices ...	60	49
	Works Managers	Personnel Officers
(b) In plants where there are time-wasting and inefficient labour practices, how they could be got rid of:	Per cent	Per cent
By change in attitude of workers or unions/creating the right spirit/getting more co-operation/educating the workers/gaining their trust ...	24	29
By better management control/supervision, penalising breach of rules ...	16	27
By more efficient management/work study/reorganisation ...	15	8
By union reorganisation, by changing union rules ...	11	8
By more job competition/unemployment/sacking workers ...	10	8
By a new wages structure ...	7	—
By abolishing breaks ...	4	5
By creating job security ...	2	5
No way to get rid of such practices ...	7	8

TABLE 22  
*Industrial Distribution of Stewards*

	All Unions	TGWU	AEU	NUGMW	ETU	AUBTW
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Engineering and Electrical Goods	24	13	42	18	25	3
Vehicles	11	13	26	—	5	—
Metal Manufacture and Goods	7	4	9	8	7	12
Shipbuilding and Marine Engineering	3	4	3	3	2	—
<i>Total Metal Handling Industries</i>	45	34	80	29	39	15
Chemical and Allied Industries	5	8	3	5	4	3
Food, Drink and Tobacco	5	8	1	3	3	1
Bricks, Pottery, Timber, etc.	2	1	1	5	3	4
Textiles, Leather, Clothing, etc.	1	*	1	3	1	1
<i>Total Other Manufacturing Industries</i>	13	17	6	16	11	9
<i>Construction</i>	3	1	1	1	9	61
Transport and Communication	12	25	3	6	7	4
Gas, Electricity, Water	9	2	3	16	20	5
Public Administration and Defence	7	7	3	15	5	3
Professional and Scientific Services	5	5	1	6	5	3
Distributive Trades	3	9	—	—	2	—
<i>Total Non-Manufacturing</i>	36	48	10	43	39	15
Other Industries	3	*	3	11	2	—

\* Less than 0·5 per cent.

TABLE 23  
*Social Class of Union Members and Non-Unionists*

	Members	Non-
		Unionists
Professional	3	6
Managerial and executive	7	17
Non-manual skilled	11	24
Manual skilled	46	26
Non-manual semi-skilled	1	2
Manual semi-skilled	24	15
Unskilled	8	10

TABLE 24  
*Industrial Distribution of Union Members and Non-Unionists*

	Members	Non-Unionists
	Per cent	Per cent
Engineering and Electrical Goods ...	11	14
Vehicles ...	8	3
Metal Manufacture ...	4	2
Metal Goods ...	1	2
Shipbuilding and Marine Engineering	1	1
<i>Total Metal Handling Industries</i> ...	25	22
Chemical and Allied Industries ...	4	2
Food, Drink and Tobacco ...	3	8
Timber, Furniture, etc.	3	2
Paper, Printing and Publishing	3	2
Clothing and Footwear	2	4
Textiles ...	2	3
Bricks, Pottery, Cement, etc.	2	1
Other Manufacturing Industries ...	3	3
<i>Total Other Manufacturing Industries</i> ...	22	25
<i>Construction</i> ...	4	10
Public Administration and Defence	12	4
Transport and Communications	12	3
Mining and Quarrying	6	*
Professional and Scientific Services	5	8
Gas, Electricity and Water ...	5	1
Miscellaneous Services ...	3	10
Distributive Trades ...	2	12
Agriculture, Forestry, Fishing	2	3
Insurance, Banking and Finance	2	2
<i>Total Non-manufacturing</i> ...	49	43

\* Less than 0·5 per cent.

TABLE 25  
*Industries in which Full-time Officers have Members*

	All Unions '000s %	TOWU '000s %	AEU '000s %	NUOMW '000s %	ETU '000s %	AUBTW '000s %
Engineering and Electrical Goods	(503) 40	(258) 41	(162) 58	(39) 17	(32) 45	(2) *
Vehicles	(104) 8	(10) 2	(80) 29	(13) 6	(1) 1	(2) *
Shipbuilding and Marine Engineering	(30) 2	(1) *	(9) 3	(14) 6	(6) 2	(2) *
Metal Manufacture	(15) 1	(3) *	(3) *	(7) 3	(3) —	(2) 1
Metal Goods	(5) *	(1) *	(3) *	(3) 1	(3) —	(2) *
Total Metal Handling Industries	(660) 51	(265) 43	(255) 91	(76) 33	(62) 53	(2) *
Food, Drink and Tobacco	(46) 4	(33) 5	(3) *	(12) 6	(3) *	(2) *
Bricks, Pottery, Glass, etc.	(39) 3	(18) 3	(3) *	(17) 8	(2) 1	(2) *
Chemical and Allied	(34) 3	(16) 3	(2) 1	(14) 6	(2) 2	(2) *
Textiles	(14) 1	(12) 2	(2) *	(2) 1	(2) *	(2) *
Paper, Printing and Publishing	(5) *	(1) *	(2) 1	(3) *	(2) 2	(1) —
Timber, Furniture, etc.	(4) *	(1) *	—	(3) 1	—	(1) *
Leather, Leather Goods and Fur	—	(2) *	—	(*) *	—	—
Other Manufacturing Industries	(28) 2	(16) 3	(1) *	(11) 5	—	—
Total Other Manufacturing Industries	(172) 13	(99) 16	(7) 2	(59) 27	(7) 5	(2) 3
Construction	(62) 5	(26) 4	(3) *	(4) 2	(12) 10	(20) 89
Transport and Communication	(132) 11	(115) 19	(10) 4	(5) 3	(1) 1	(1) *
Gas, Electricity and Water	(74) 6	(5) 1	(2) 1	(36) 16	(31) 27	(1) *
Public Administration and Defence	(68) 6	(35) 6	(3) 1	(27) 12	(3) 2	(2) *
Distributive Trades	(11) 1	(10) 2	(3) *	(1) 1	(1) *	(2) *
Mining and Quarrying	(3) 1	(4) 1	—	(3) 1	(1) *	(2) *
Professional and Scientific Services	(6) 1	(3) *	(1) *	(3) 1	(1) *	(1) —
Miscellaneous Services	(6) 1	(4) 1	(1) —	(2) 1	(1) —	(1) —
Agriculture, Forestry, and Fishing	(4) *	(3) *	—	(1) 1	—	(1) —
Total Non-manufacturing	(305) 27	(178) 30	(16) 6	(79) 36	(35) 30	(1) *
Other	(49) 4	(40) 7	(2) 1	(4) 2	(2) 2	(1) 4
Total	(1,251)	(608)	(280)	(222)	(116)	(25)

\* Less than 500 members or 0.5 per cent.

TABLE 26  
*Industrial Distribution of Plants (Surveys of Management)*

		Works Managers	Personnel Officers
Engineering and Electrical Goods	...	31	42
Metal Goods	...	6	3
Metal Manufacture	...	5	9
Vehicles	...	4	5
Shipbuilding and Marine Engineering	...	1	1
<i>Total Metal Handling Industries</i>	...	47	60
Textiles	...	9	7
Food, Drink and Tobacco	...	8	7
Clothing and Footwear	...	7	5
Chemicals and Allied Industries	...	5	5
Bricks, Pottery, Cement, etc.	...	5	4
Timber, Furniture, etc.	...	3	1
Paper, Printing and Publishing	...	*	
Other Manufacturing	...	6	8
<i>Total Other Manufacturing</i>	...	43	37
<i>Construction</i>	...	10	3

\* Less than 0·5 per cent.

*General Note on Bases of Percentages*

In the above tables the percentages are based on the following numbers of persons interviewed:

	Total*	TGWU	AEU	NUGMW	ETU	NUR	AUBTW
Shop stewards	1,161	306	269	178	241	93	74
Ex-stewards	205	26	38	35	44	26	36
Full-time Officers	183	101	20	33	14	—	15

\* The column "all unions" in the tables refers to the proportions of stewards in the six sampled unions weighted in proportion to their estimated numbers in each union. Full-time officers were interviewed in proportion to their numbers in each of the five sampled unions.

Industry

	Total	Metal Handling	Other Manufacturing	Con- struction	Non- Manu- facturing
Union Members	494	128	110	23	233
Non-unionists	412	88	103	43	178
Works Managers	319	149	138	32	—
Personnel Officers	121	73	45	3	—
Foremen	598	291	259	48	—

## APPENDIX I

### THE SAMPLES

The sampling for the surveys of trade union members, non-unionists and management was based on lists of electors and manufacturing establishments respectively. No satisfactory lists of stewards and full-time officers were obtainable and the lists on which we had to base the samples for these two surveys must be regarded as less than ideal. The interviewing on all the surveys took place in August–October 1966.

#### *Shop Stewards*

The sample consisted of shop stewards (including those who carried out the functions of stewards but under another name) in six unions—the Transport and General Workers' Union, the Amalgamated Engineering Union, the National Union of General and Municipal Workers, the Electrical Trades Union, the National Union of Railwaymen, and the Amalgamated Union of Building Trade Workers. Because of the varying numbers of stewards in these unions it was necessary to weight the last three union samples (i.e. to interview larger than proportionate numbers) in order to get sufficient numbers for analysis. The samples were drawn from lists of stewards held at branch, district or national level in the various unions.

Table I shows the rates of response to the survey by union type. Of the 1,680 names selected for interview, nearly 7 per cent proved to be ineligible for one reason or another—some were (or had been) only subscription collectors with no industrial relations responsibilities, some had given up being stewards more than five years ago (and were excluded from the ex-stewards' survey because of the memory factor), while others claimed never to have been a steward in the union for which they were sampled. After eliminating these "ineligibles", 1,563 people were eligible for interview. In fact we obtained interviews with 89·7 per cent of these, in most cases as stewards, and in others as ex-stewards, of whom we asked only a selection of the more general questions.

Only 3 per cent of those with whom we sought an interview refused to co-operate. Most of these refusals were directly from the individuals concerned, but the 6 per cent refusal rate in the AEU includes two groups of stewards who were not approached by our interviewers because their branch secretaries declined to co-operate in giving access to lists of names and addresses from which random samples could be drawn. We declined to work from lists of stewards who were known to be specially selected.

The nearest equivalent to shop stewards in the NUR are local departmental committee representatives. Those who were, or had been during the last five years, LDC representatives were included in the stewards' and ex-stewards' samples respectively. An exception was London Transport, which has no LDC representatives. The results of interviews with 36 sectional council representatives in the London area are not included in the analyses, because these individuals are at a higher level in the negotiating procedure than the rest of the sample.

TABLE I  
*Response Rates of Stewards*

	All Unions No. Per cent	TGWU No. Per cent	AEU No. Per cent	NUGMW No. Per cent	ETU No. Per cent	NUR No. Per cent	AUBTW No. Per cent
Interviewed as steward	1,197 (205)	71.3 (26)	84.5 (306)	74.3 (269)	58.2 (178)	73.1 (241)	68.7 (74)
Interviewed as ex-steward	...	12.2	7.2	10.5 (38)	11.4 (35)	13.3 (44)	13.8 (36)
Ineligible:	...	...	...	...	...	...	27.2
is/was collector only	57	3.4	1.0	2.7 (4)	0.3 (1)	1.6 (5)	56.1
steward over 5 years ago	56	2.1	0.6	1.1 (2)	2.6 (8)	0.6 (2)	1.5
never steward in that union	24	1.4	1.1	0.8 (4)	1.3 (4)	0.9 (3)	—
Refusals	50	3.0	1.1	6.4 (23)	1.9 (6)	1.2 (4)	4.6
Non contacts:	...	...	...	...	...	...	3.8
ill/in hospital	...	...	0.3 (5)	0.6 (2)	— (1)	0.3 (1)	0.8
moved	...	...	2.7 (46)	0.6 (2)	2.8 (10)	4.8 (16)	0.8
dead	...	...	0.5 (7)	— (3)	0.8 (4)	— (1)	3.0
unable to contact	...	...	3.1 (33)	1.6 (6)	3.0 (11)	4.2 (14)	3.0
<b>TOTAL</b>	1,680	100	96.2 (362)	100 (362)	86.7 (306)	100 (330)	94.5 (132) 100 88.7
Interviews as a percentage of eligibles	...	...	...	...	...	...	...

\* including 36 sectional council representatives.

### *Trade Union Full-time Officers*

The sample consisted of trade union full-time officers in the same unions as the sample of shop stewards, except the NUR in which the organisation is rather different. Because of the comparatively small numbers in the total sample, it was decided to select officers in proportion to their total numbers in all five unions, i.e. not to use a weighting system. This meant that more than half the sample consisted of TGWU officers.

In general, the same areas were used for sampling officers as for sampling stewards, plus a few extra areas in some cases. Table 2 shows the rate of response to the survey. Of the 198 officers selected for interview we were able to obtain interviews with 183 (92·4 per cent). Three of the remainder were no longer in the post for which they were sampled, and so the rate of interviews as a proportion of eligibles was 93·8 per cent.

TABLE 2  
*Response Rates of Full-time Officers*

	TOTAL Per No. cent	TGWU Per No. cent	AEU Per No. cent	NUGMW Per No. cent	ETU Per No. cent	AUBTW Per No. cent
Interviewed	183 92·4	101 91·0	20 83·4	33 100	14 100	15 93·8
Ineligible (no longer in post)	3 1·5	2 1·8	—	—	—	1 6·2
Refusals	5 2·5	3 2·7	2 8·3	—	—	—
Non-contacts (moved, etc)	7 3·6	5 4·5	2 8·3	—	—	—
<b>TOTAL</b>	<b>198 100</b>	<b>111 100</b>	<b>24 100</b>	<b>33 100</b>	<b>14 100</b>	<b>16 100</b>
Interviews as a percentage of eligibles	93·8	92·7	83·4	100	100	100

### *Management (Works Managers, Personnel Officers and Foremen)*

The inquiry was based on a sample of 400 manufacturing and construction establishments drawn from official records. The manufacturing establishments had not less than 150 employees and the construction establishments not less than 50.

Of the establishments selected, 57 did not recognise trade unions and no interviews were sought there. Five plants had either closed down or moved. At each of the remaining establishments the works manager was interviewed, the personnel officer where one existed, and two foremen (in some cases only one). This procedure resulted in a final interviewed sample of 319 managers, or 94 per cent of the number in sampled establishments which recognised trade unions, 121 personnel officers (97 per cent of those in the establishments visited) and 598 foremen (98 per cent of those eligible).

Works managers were selected as the highest level in the establishment which had day to day responsibilities for industrial relations. Personnel officers were selected as the most senior person in their department who had some industrial relations responsibilities. Those who were called personnel officers but who had no such responsibilities were excluded from the sample. Foremen were selected as the lowest level of supervision responsible for industrial relations in some form. If there were more than two foremen at the lowest level, the one with the longest service and the one with the shortest service were selected for interview. Details of the response rate are shown in Table 3.

TABLE 3  
*Response rates of Management*

	No.	Per cent
Eligible establishments	338	84.5
Ineligible establishments (trade unions not recognised)	57	14.3
Establishments closed down or moved	5	1.2
(Original sample) ...	400	100

The 338 eligible establishments produced the following response:

	Works Managers		Personnel Officers		Foremen	
	No.	Per cent	No.	Per cent	No.	Per cent
Interviewed ...	319	94.4	121	96.8	598	98.3
Refused at works manager level or above	13	3.8	—	—	—	—
Other refusals	—	—	1	0.8	1	0.2
Non-contacts	3	0.9	2	1.6	6	1.0
Excluded (superior present at interview)	3	0.9	1	0.8	3	0.5
	338	100	125	100	608	100

#### *Union Members and Non-unionists*

A random sample of 3,000 adult males and females in England, Wales and Scotland was drawn from the electoral register of October 1965. A two-stage sampling design was used. At the *first stage* we listed all local authority areas in England, Wales and Scotland and classified them by region and size of electorate. One hundred areas were then selected with probability proportional to size of electorate. At the *second stage*, 30 electors were selected from each of the 100 areas.

Of the persons selected, 77 per cent were contacted and, after excluding those who did not qualify to be interviewed as either trade union members or non-unionists in full-time employment, 30 per cent of the original sample were interviewed in two groups:

- (a) *Trade union members* (Total sample = 494) that is, those who were working full-time for someone else, and were members of a trade union, excluding shop stewards. Those belonging to employees' associations which negotiate conditions of work on behalf of their members, but do not call themselves trade unions, were included.
- (b) *Non-unionists* (Total sample = 412) that is, those who were working full-time for someone else, but were not members of a trade union or employees' association.

Table 4 shows the total response rate and the response rates for males and females separately. No attempt was made to follow those who had moved.

TABLE 4  
*Response Rates of Union Members and Non-unionists*

	Total		Males		Females	
	No.	Per cent	No.	Per cent	No.	Per cent
Interviewed as TU member	494	16·5	419	30·3	73	4·6
Interviewed as non-unionist	412	13·7	266	19·3	145	9·0
Ineligible	1,400	46·7	314	22·6	1,086	67·1
Not working full-time	971	32·4	54	3·9	917	56·7
Retired	278	9·3	143	10·3	135	8·3
Self employed	136	4·5	103	7·4	33	2·1
Shop steward	11	0·4	11	0·8	—	—
Other	6	0·1	3	0·2	1	—
Other reasons for non-interview	694	23·1	383	27·8	311	19·3
Moved away	309	10·3	149	10·8	160	9·9
Premises empty	43	1·4	24	1·7	19	1·2
Sick/ill/died	99	3·3	54	3·9	45	2·8
Out—3 or more calls	99	3·3	56	4·1	43	2·7
Away temporarily	69	2·3	45	3·3	24	1·5
Refused	75	2·5	55	4·0	20	1·2
Total	3,000	100·0	1,382	100·0	1,618	100·0

**APPENDIX II**  
**SCHEDULES OF QUESTIONS**

SURVEY OF SHOP STEWARDS

Interviewer .....	Interviewer No. [ ]
<p>1. Are you now a shop steward (or workshop/Local Department Committee representative) who represents the views of your members to management, or are you a subscription collector only?</p> <p>Yes, representative Was a representative Collector only Was a Collector only</p> <p>[IF IS OR WAS A COLLECTOR (CODE 3 OR 4 - SEE INSTRUCTIONS)]</p> <p>→ IF WAS REPRESENTATIVE (CODE 2): a) How long ago did you cease to be one?</p> <p>Less than 3 months 3-6 months 7 months-5 years More than 5 years</p> <p>b) How did you come to give up the job?</p> <p>Left the firm Close down of job Got promoted Defeated in an election Victimized/dismissed Other (specify)</p> <p>ALL EXCEPT 'MORE THAN 5 YEARS' (CODE 4 TO Q.1.a): <u>Union Membership</u> → To be Standard Supplementary Appendix</p> <p>2. Which union(s) do you belong to?</p> <p>3. How long have you been in the ...; (sampled union)?</p> <p>Less than 2 years 2-4 years 5-9 years 10-20 years More than 20 years</p> <p>4. Have you ever belonged to any other union?</p> <p>Yes No</p> <p>IF YES: a) Which union(s)? i. b) How long were you a member?</p> <p>Less than 1 year 1-4 years 5-10 years More than 10 years</p> <p>c) Did you hold any offices in ... (previous unions)? IF YES: d) What were they?</p> <p>Shop steward /workshop representative Ticket/card/collecting steward Branch secretary Branch chairman Member of branch committee Other (specify)</p> <p><u>Occupational Background</u></p> <p>5. What is your job?</p> <p>6. What is the name of the firm you work for?</p> <p>7. What do they produce or do?</p> <p>a) How many people are employed at your place of work?</p> <p>Under 100 100-499 500 or over D.K.</p> <p>8. How long have you worked for ... (present firm)?</p> <p>Less than 1 year 1-4 years 5-9 years 10 or more years</p> <p>IF LESS THAN 10 YEARS: a) How many other firms have you worked for during the past 10 years? None (only firm worked for) 1 2-4 5 or more</p>	

9. Are you interested in getting promotion in your firm?	Yes	1
	No	1
IF YES: a) To what position?		
i b) Do you think there is a reasonable hope that you may get it? IF NO: c) Why not?	Yes	1
	No	1
	D.E.	9
10. How long have you been a shop steward (workshop representative) for the workers you now represent?	Less than 1 year	1
	1-4 years	2
	5-10 years	3
	More than 10 years	4
11. How many times have you been a shop steward (workshop representative) before you took on your present job as a steward?	Never	0
	Once	1
	2-4 times	2
	5 or more times	3
IF AT ALL: a) How long altogether have you been a shop steward?	Less than 1 year	1
	1-4 years	2
	5-10 years	3
	More than 10 years	4
12. Do you yourself collect union subscriptions?	Yes	1
	No	2
IF YES: a) For roughly how many members a week? →		
b) From your point of view, how useful do you regard the collection of subscriptions as a way of keeping in contact with your members?	PROMPT	Very useful
		1
		Fairly useful
		2
		Or not useful?
		3
IF NO: c) Are the subscriptions collected for the union by deduction from wages by your employer?	Yes	1
	No	2
13. Do you regularly distribute the union journal (newspaper)?	Yes	1
	No	2
	D.N.A. (don't have one)	3
14. Do you pay the political levy?	Yes	1
	No	2
	D.E.	3
15. How many members are you responsible for a) as a shop steward? → b) as a senior steward? →		
<u>Shop stewards and Unions</u>		
16. Do you hold any other offices in your union?	Yes	1
	No	2
IF YES: a) What are they?	Ticket/card/collecting steward	M.C.
	branch secretary	1
	branch chairman	2
	member of branch committee	3
	other (specify)	4
		5
17. Have you ever held any other offices in your union?	Yes	1
	No	2
IF YES: a) What were they?	ticket/card/collecting steward	M.C.
	branch secretary	1
	branch chairman	2
	member of branch committee	3
	other (specify)	4
		5
18. Would you like to serve in any other capacity in your union?	Yes	1
	No	2
IF YES: a) In what capacity?	convener	M.C.
	branch secretary	1
	branch organiser	2
	other branch official	3
	district organiser	4
	other-district official	5
	Other (specify)	7

19. Have you taken part in any course of training or instruction for your job as a shop steward (workshop representative)?	Yes No	1 2
IF YES: (First kind of course)	(Second kind)	(Third kind)
a) What did it cover?	c) Was it: day release evening classes one week course week-end courses correspondence course other (specify)	1 2 3 4 5 6
b) Who was it run by?		d) Has it helped you in your job as a steward a lot a little not at all?
		1 2 3
20. About how many hours do you spend on average each week on your duties as a steward -	all your working hours?.....hrs some of your working hours?.....hrs during work break?.....hrs in your own time?.....hrs	.....hrs
So this means that as a steward you spend altogether in an average week -		.....hrs
21. Do you lose pay from your employer as a result of your union activities (N.U.R. - activities of the L.R.C.)?	Yes, regularly Yes, sometimes No	1 2 3
IF YES: a) About how much in an average week? (in shillings) - - - - - (1 or 2)	D.K.	x
: b) Did you lose anything in this way last week? (in shillings) - - - - -		
: c) Is the pay you lose from your employer made up to you by: (i) commission for collecting subscriptions? (ii) any other way? (specify)	Yes No	1 2
: [IF YES to any of c)] d) Does this fully compensate you?	Yes No	1 2
IF NO: e) About how much in an average week are you still out of pocket? (in shillings) - - - - -		
<u>Becoming a Steward</u>		
22. Was there someone who previously had your job as a shop steward (workshop representative)?	Yes No D.K.	1 2 3
IF YES: a) How did he come to give it up?	Left the firm Close down of job Got promoted Dissatisfied/no co-operation Defeated in an election Ill health Other (specify)	1 2 3 4 5 6 7
23. Did you want your present job as steward (workshop representative) or were you persuaded to take it on?	Wanted it/volunteered Persuaded/no one else wanted it Both wanted it and was asked Other (specify)	1 2 3 4
24. When you took on your present job as shop steward (workshop representative) was this -	after defeating the previous shop steward in a contested election when the previous steward resigned (DESCRIPT AS N.C.C.) 'without opposition' when the previous steward resigned in a contested election as the first steward on the job (site) 'without opposition' as the first steward on the job (site) or with no form of election?	1 2 3 4 5 6
IF COMES 1-5: a) Did the election take place -	in the shop or at a branch meeting? Other (specify)	1 2 3
b) Was this	by a show of hands or by ballot?	1 2

25. In practice, do you have to stand for re-election?	Yes No	1 2 3
IF NO: a) Technically, do you have to stand for re-election?	Yes No	2 3
IF YES TO MAIN Q.: b) at what intervals?	Every year Every 2 years Irregular intervals Other (specify)	1 2 3 4
i. c) Have you ever been opposed when standing for re-election?	Yes No D.N.A.	4 1 2
IF YES: d) Are you regularly opposed when standing for to (c) re-election?	Yes No	3 4
<u>Earnings of Members</u>		
26. What is the nationally agreed standard working week of your members?	40 hrs. 41 hrs. 42 hrs. (Specify) .....	1 2 3 4
27. What are their agreed overtime rates?	First 2 hrs..... After first 2 hrs..... Saturday..... Sunday..... Bank holidays..... Other (specify).....	
28. How do rates of pay in your particular shop compare with <u>national</u> rates for the jobs your members do?	Higher Same Lower D.K.	1 2 3 4
IF HIGHER (cone 1): a) What proportion of the extra amount comes from: (REMOVING PUNCTUATION)		
(i) bargaining by full-time union officials? .....		
(ii) workplace bargaining by shop stewards? .....		
(iii) combined efforts of stewards and officials ..... (e.g. a quarter, more than three-quarters, etc.)		
29. Are your members' earnings ever increased as a result of your personal efforts on their behalf?	Yes No	1 2
IF YES: a) In what ways?		
b) When trying to increase the earnings of your members what arguments do you use to press your case?		
c) Do you ever use any of the following arguments:		
(IND. PROPS)	Cost of living? The level of profits (in the firm)? Comparisons with other workers in the same place of work? Comparisons with other workers in different places of work? Change in the nature of the job? Abnormal conditions of work?	1 2 3 4 5 6
IF MORE THAN ONE ARGUMENT: d) Which argument do you consider most important?		

30. What proportion of the members you represent are employed on some system of payment by results?	All Most A minority None D.K.	1 2 3 4 5
IF ALL OR MOST: a) Would you be in favour of replacing (code 1 or 2) this system by some other method?	Yes No D.K.	1 2 3
IF YES: b) Why do you favour a change?		
IF MINORITY OR NONE: c) Would you be in favour of replacing the present system with payment by results? (code 3 or 4)	Yes No D.K.	1 2 3
IF YES: d) Why do you favour a change?		
	Interest/make more money More productivity for firm Other (specify)	1 2 3
31. ASK ALL MEMBERS E.U.C.: In comparison with other <u>manual</u> workers in the firm, do you consider that your members are paid a fair amount? D.N.A. (E.U.C.)	Yes No Some fairly, others not D.K.	1 2 3 4 5
32. ASK MANUAL WORKERS ONLY (EXCEPT E.U.C.) Roughly how many unions have manual worker members in your place of work, besides your own union?	D.N.A. (E.U.C. or non-manual worker)	9 None One Two Three Four Five Six Other (specify approx no.) D.K.
	0 1 2 3 4 5 6 7 8	
IF ONE OR MORE (CODES 1 TO 7): a) Which unions are they?		
34. ASK NON-MANUAL WORKERS ONLY: Roughly how many unions have non-manual worker members in your place of work, besides your own union?		
IF ONE OR MORE (CODES 1 TO 7): a) Which unions are they?		
IF CODES 1 to 7 to Q.33 or 34 - ASK:		
35. In your place of work, are there any other unions representing the same kind of workers that your union represents? D.N.A.	Yes No	1 2 3
IF YES: a) Which unions? Do All		
36. Are there any stewards (representatives) in your place of work who are, in some sense, 'senior' stewards (representatives)? <i>(Expl. if Yes necessary - sometimes called convenors, chief stewards, or (IF N.U.R.) No chairman or secretary of L.B.C.s.)</i>	Yes No	1 2
IF YES: a) Are you a ... (senior steward)?		
b) Do any ... (senior stewards) in your place of work sometimes act on behalf of another union's members besides their own?	Yes No	1 2
IF YES TO (a): c) Do you, as a ... (senior steward) sometimes act on behalf of another union's members besides your own?	Yes No	1 2
IF NO TO (a): d) Do you as a steward (representative) sometimes act on behalf of another union's members besides your own?	Yes No	1 2

37. Do <u>any</u> workers in your place of work have to be union members in order to keep their jobs?	Yes	A
	No	1
	D.N.C.	2
IF YES: a) Does this apply in all departments, most, or only a few?		
	All	3
	Most	4
	Only a few	5
	D.N.C.	6
IF MOST OR ONLY A FEW (CODES 4 or 5):		
b) Does it apply to your own members?		
	Yes	1
	No	2
<u>Meetings</u>		
38. Do you ever have any meetings with <u>any</u> stewards (representatives) at your place of work? I don't mean meetings at which members of management are present.	Yes	1
	(GO TO Q.39) - No	2
IF MORE THAN ONE STEWARD AT THE WORKPLACE - ASK (a) AND (b):		
a) First, do <u>any</u> stewards (representatives) belonging to <u>your union</u> , from <u>your place of work</u> have meetings with each other?	D.N.A.	1
	Yes	2
	No	3
b) Do <u>any</u> stewards (representatives) from <u>your place of work</u> have meetings with other stewards (representatives) in <u>your own and other unions</u> ?	D.N.A.	1
	Yes	2
	No	3
TO ALL:		
c) Do <u>any</u> stewards (representatives) have meetings with other stewards (representatives) from <u>different places of work in your own union</u> ?	Yes	1
	No	2
d) And do <u>any</u> stewards (representatives) have meetings with other stewards (representatives) from <u>different places of work in your own and other unions</u> ?	Yes	1
	No	2
e) Which of these types of meeting have you attended?		
	a) from own workplace, own union	1
	b) from own workplace, own and other unions	2
	c) from different workplaces, own union	3
	d) from different workplaces, own and other unions	4
If (e) ≠ CODES f) Are the meetings of stewards (representatives) from your own workplace in your own union organised by full-time officials or by shop stewards?		
	Stewards	1
	Full-time officials	2
	Other (specify)	3
g) How often are they held? Irregularly/no set interval		
	Monthly	1
	Other (specify)	2
	3	
h) Do you think these meetings are - Very important, Fairly important or not very important?		
	Very important	1
	Fairly important	2
	or not very important?	3
	D.N.C.	4
i) to q) SIMILAR DETAILS ABOUT THE THREE OTHER TYPES OF MEETING		
39. Are there any joint committees in your place of work where stewards (workshop representatives) meet <u>jointly with management</u> to discuss and settle problems?	Yes	1
	No	2
IF YES: a) Do you take part in these meetings?		
	Yes	1
	No	2
b) Do stewards (representatives) from your union only take part, or stewards from other unions as well?		
	Own union only	1
	Others as well	2
c) Do you think these meetings are - Very important, Fairly important or not very important?		
	Very important	1
	Fairly important	2
	or not very important?	3
	D.N.C.	4

IF MORE THAN ONE UNION IN FIRM (CODES 1 to 7 to 9, 33 or 34):

40. How often do issues which you want to discuss with management in your place of work involve members from other unions as well as your own?

D.N.A.	1
Very often	2
Fairly often	3
Seldom	4
Never	5

IF VERY OR FAIRLY

40. (CODES 2 OR 3): a) Would it help to settle these issues if there were fewer unions involved, would it not help, or would it make no difference?      Would help  
Would not help  
Would make no difference

1
2
3
4

Contact with Union Officials

41. ASK ALL EXCEPT N.U.R. (GO TO Q.45):  
Does your full-time union official hold regular meetings of shop stewards (workshop representatives)?

D.N.A. (N.U.R.)	1
Yes	2
No	3

42. How often in the last 12 months have you met a full-time official on union business?

D.N.A. (N.U.R.)	1
Never	2
Once	3
2-4 times	4
5-25 times	5
26 or more times	6

IF YES: a) How often in the last 12 months did your contacts with union officials take place within the firm?

D.N.A. (N.U.R.)	1
Never	2
Once	3
2-4 times	4
5-25 times	5
26 or more times	6

43. Do you experience any difficulties in contacting your full-time official as and when you need to?

D.N.A. (N.U.R.)	1
No difficulty	2
Delay sometimes	3
Other (specify)	4

44. Would you say that your local full-time official played an important part in local negotiations in your firm?

D.N.A. (N.U.R.)	1
Very important	2
Not very important	3
Other (specify)	4

(a) Would you like to see him play a more important part in these negotiations?

D.N.A. (N.U.R.)	1
Yes	2
No	3
Already plays an important part	4
D.K.	5

IF YES: b) What do you think would be gained by this?

ASK ALL:

Branch Organisation

45. Do all the members of your union at your place of work belong to the same branch?

Yes 1

No A

IF NO: a) Would it help you to communicate with your members and report back to them if they were organised in the same branch?

Yes 2

No/would make no difference 3

Inpractical/members scattered 4

Other (specify) 5

46. How many times has your branch actually met in the last 12 months? -->	
47. How many times have you attended branch meetings in the last 12 months?	
48. Do you ever use your union branch as a place where the grievances and claims of your members can be discussed? Yes No	A 1 1
IF YES: a) How often?	PROMPT Very often Fairly often Seldom Never D.K.
	2 3 4 5 9
49. Do you ever use your branch as a place to decide workshop (site) policy? Yes No	A 1 1
IF YES: a) How often?	PROMPT Very often Fairly often Seldom Never D.K.
	2 3 4 5 9
<b>Contacts with Members</b>	
50. To what extent do you depend on the place of work for contacting your members, as against meeting them outside, such as at branch meetings?	Promt Entirely depend on workplace contacts Mostly depend on workplace contacts Other (specify)
	1 2 3
51. Can you leave the job (task) to contact members whenever you want? D.N.A. (work alongside them) Yes No	9 1 1
IF YES: a) Do you get permission first out of necessity or out of courtesy?	Promt Yes, necessity Yes, courtesy No
	2 3 4
IF 'NECESSITY': b) Is permission ever withheld?	Promt Yes No
IF YES: c) How many times in the last 12 months? -->	1 2
52. Do you feel that you can always get your members to see things your way when a particular dispute arises, and get them to do what you believe is right?	Promt No/everyone has own opinion Yes Sometimes Other (specify)
	1 2 3 4
a) Are there any circumstances in which you are unlikely to get your members to agree with you?	Promt Yes No
IF YES: b) What are these circumstances?	1 2
53. Are your members' demands reasonable ones which you can do something about -	PROMPT Always Usually About half of them Other (specify)
	1 2 3 4
54. Do you ever hold meetings of members at your place of work - during working time, during breaks or before or after work?	M.C. No 1 Yes, during working time 2 Yes, during breaks 3 Yes, before or after work 4

52. DURING WORKING TIME (CODES 2): a) Do you have to get permission first?		Yes	1
		No	2
		Sometimes	3
b) IF CODES 1 or 3 to (a): b) Is permission ever withheld?		Yes	1
		No	2
c) How often?		Always	1
		Sometimes	2
		Seldom	3
d) Do you have to say what the purpose is?		Yes	1
		No	2
e) What purposes are the most difficult to get management permission for?			
IF 'DURING BREAKS', 'BEFORE OR AFTER WORK' (CODES 3 or 4 to main Q): f) Are you or other shop stewards (workshop representatives) ever refused permission to hold meetings of members at your workplace out of working time, including breaks?		Yes	1
		No	2
g) How often?		Always	1
		Sometimes	2
		Seldom	3
h) Thinking of the last time this happened: (i) What was the purpose of the meeting? (ii) What reason did management give for refusing permission?			
55. How satisfied are you with opportunities to contact members at the place of work -		Very satisfied	1
PROMPT		Fairly satisfied	2
		or dissatisfied?	3
		other (specify)	4
IF DISSATISFIED: e) How satisfied are you with opportunities to contact members <u>outside the place of work</u> -		Very satisfied	1
PROMPT		Fairly satisfied	2
		or dissatisfied?	3
		other (specify)	4
56. Do you ever refuse to raise an issue with management on behalf of any of your members?		Yes	1
		No	2
IF YES: a) What sort of issues are these?			
<u>Relations with Foremen and Management</u>			
57. Do your members ever bring problems to you without first approaching their foreman (U.U.R. - first level management)?		Yes	1
		No	2
58. Does a foreman (first level of management) ever settle a problem raised by one of your members without first bringing it to you?		Yes	1
		No	2
		D.N.	3
59. Do you ever have any difficulties in approaching the foreman (first level of management)?		Yes	1
		No	2
60. Who is the next stage of management above the foreman (first level)? a) Are you allowed to approach the ... (next stage) as and when necessary?		Yes	1
		No	2

61.	And who is the top level of management at your workplace?	
	a) Are you allowed to approach the ... (top level) as and when necessary?	Yes No D.N.A. (no top level management at workplace) D.N.A. (top level same as Q.60)
		1 2 3 4
62.	Apart from the formal procedures, do you have ways of approaching management such as unofficial chats with the foreman or members of management?	Yes No
	IF YES: a) What are these ways?	1 2
	TO ALL: b) (But) do you sometimes bypass the first level of management to approach the next stage above?	Yes No
		1 2
	: c) (But) do you sometimes approach top level management at your workplace without going through the lower levels?	Yes No D.N.A. (no top level management at workplace)
		1 2 3
	IV. YES TO (b) OR (c); d) Do you think these other (unofficial) ways of approaching management are -	Very important Fairly important or not very important?
		1 2 3
63.	On the whole, how reasonable would you say that various levels of management are in the way they deal with issues you raise -	
	PROMPT	Very reasonable Fairly reasonable Unreasonable Other (specify)
		1 2 3 4
	e) Do you find a greater readiness to be reasonable at lower or higher levels of management?	Lower Higher No difference Depends on the individual D.K.
		1 2 3 4 5
64.	Is there a personnel officer (personnel manager) at your place of work who deals with issues raised by shop stewards?	Yes No
	IF YES: a) Do you find him/her more or less reasonable than other managers?	More reasonable Less reasonable No difference D.K./No dealings with him/her
		2 3 4 5
	ASK ALL EXCEPT N.U.R.s	
65.	Is the firm you work for a member of any employers' association?	D.N.A. (N.U.R.) Yes No D.K.
		1 2 3 4
	IF YES: a) Can you tell me its name?	
66.	Is there a nationally agreed procedure for settling disputes that arise at local level in your firm?	D.N.A. (N.U.R.) Yes No D.K.
		1 2 3 4
	a) Do you have a written domestic procedure which covers your place of work or do you rely on a national procedure?	Yes No/rely on national procedure D.K. Other (specify)
		1 2 3 4

## ASK ALL:

67. SHOW CARD 'A' On this card there is a list of issues. For each one would you say whether you have ever personally discussed and settled it with management at your place of work?

FOR EACH 'YES': Do you discuss and settle ..... (issue) as standard practice or only rarely?

		NO	YES	Stand. Pract.	Rarely
(a) Wage issues:	piece work prices	1	2	3	4
	other forms of bonus payments	1	2	3	4
	plus payments for dirty work, etc.	1	2	3	4
	job evaluation	1	2	3	4
	allowances of any other kind	1	2	3	4
	merit money	1	2	3	4
	up grading	1	2	3	4
		NO	YES		
(b) Working conditions:	distribution of work	1	2	3	4
	pace of work	1	2	3	4
	quality of work	1	2	3	4
	safety questions	1	2	3	4
	health questions	1	2	3	4
	manning of machines	1	2	3	4
	transfer from one job to another	1	2	3	4
	general conditions in the workplace	1	2	3	4
	introduction of new machinery and jobs	1	2	3	4
		NO	YES		
(c) Hours of work:	level of overtime	1	2	3	4
	distribution of overtime	1	2	3	4
	breaks in working hours	1	2	3	4
	stopping and starting times	1	2	3	4
		NO	YES		
(d) Disciplines:	reprimands by the foreman	1	2	3	4
	suspensions	1	2	3	4
	dismissals	1	2	3	4
		NO	YES		
(e) Employment issues:	taking on new labour	1	2	3	4
	number of apprentices	1	2	3	4
	acceptance of upgrading	1	2	3	4
	short time	1	2	3	4
	redundancy questions	1	2	3	4
		NO	YES		
(f) Any other issues not covered (specify):		1	2	3	4
		1	2	3	4

66.	How satisfied are you with the facilities you have to deal with nephew's grievances and claims? Are you -	Very satisfied	1
		Fairly satisfied	2
		Or dissatisfied?	3
69.	Do you have any complaints about the procedure for dealing with grievances and claims at your place of work?	None	M.C.
		D.N.A. (no grievances or claims)	1
		Yes, procedure too slow	2
		Yes, (other specify)	3
			4
70.	Are there any kinds of questions which you think you ought to be able to discuss with management but which they regard as their own right to decide?	Yes	1
		No	2
	IF YES: a) What do you think you ought to be able to discuss with management?		
71.	To what extent do you think that you as a shop steward, (workshop representative) are helping management to solve its problems and run the firm more efficiently? Do you think you are helping them -	Quite a lot	1
		In a minor way	2
		Not at all	3
		.....	
		Other (specify)	4
72.	Do you consider your management is -	Very efficient	1
		Fairly efficient	2
		Not very efficient	3
		or inefficient?	4
73.	Do you consider your foreman (first-level of management) is -	Very efficient	1
		Fairly efficient	2
		Not very efficient	3
		or inefficient?	4
74.	In what ways could the management of your firm become more efficient?		
75.	In general, is management's attitude towards trade unions at your place of work reasonably fair or not?	No	1
		Yes	2
		Yes, with qualification (specify)	3
76.	Have there been any cases of victimisation or unfair dismissal at your place of work since you have been a shop steward (workshop representative)?	Yes	1
		No	2
		D.K.	3
	IF YES: a) Were any of the victims shop stewards (workshop representatives)?	Yes	1
		No	2
	.. b) Were you (they) able to obtain any improvement in the position or any concessions?	Yes	1
		No	2
		Other (specify)	3

77. Have you ever been victimised by management as a shop steward (workshop representative)?	Yes No	1 2
IF YES: a) How many times?	Once Twice 3 or more times	1 2 3
: b) In what ways? Withheld from promotion/better paid job Dismissed Transferred against own will Other (specify)	M.C. 1 2 3 4	
78. Do you consider your management is reasonably fair in dealing with workers who break rules and disobey orders?	Yes No	1 2
IF NO: a) In what ways?	Strikes	
79. Has there been a strike at your place of work since you have been a shop steward (workshop representative)?	Yes No	A 1
IF YES: a) How often have strikes occurred -	frequently seldom or once only?	2 3 4
b) Thinking of the last (that) strike -		
i) Was permission obtained from the union before the strike took place?	Yes No D.K.	1 2 3
ii) What was the strike about? (probe - breach of agreement)		
iii) Had procedure within the firm been exhausted before the strike took place?	Yes No D.K.	1 1 2
IF YES to (iii): iv) Had national procedure been exhausted before the strike took place?	Yes No D.K.	3 4 5
IF NO(i) or NO(iv): v) Could the same result have been obtained without strike action by taking the dispute through the procedure?	D.N.A. Yes No	1 2 3
vi) Was a full-time union official sent for? (probe - at the time the decision to strike was made, or as a result of the strike).		
vii) How many unions were involved? - - - - - →	D.K.	x
viii) How many workers withdrew their labour? - - - - →	D.K.	x
ix) How long did it last?		
x) How was the decision taken to come out on strike? PROMPT: At a shop floor (site) meeting or branch meeting or at national level	Shop floor/site meeting Branch meeting National level other (specify)	1 2 3 4
xi) Was a senior shop steward (or equivalent) sent for before the strike took place?	Yes No D.K.	1 2 3
xii) Do you feel that the strike helped those who took part in it to achieve a more favourable settlement?	Yes No D.K.	1 2 3

80. What other forms of pressure, if any, have been used in disputes with management at your place of work, since you have been a steward?	Have there been any -		
	threats to strike?	Yes	No
	overtime bans?	1	2
	working to rule?	1	2
	'go slow'?	1	2
	Other (specify)	1	2
IF YES TO ANY: a) How often have these .... (all pressure) been used in the past 12 months?	Never	0	
	Once	1	
	Twice	2	
	3 or 4 times	3	
	5 or more times	4	
(IF YES TO 79 and 80): b) Do you think the strike was more or less effective than .... (other forms of pressure mentioned)?	B.K.	1	
	Strike more effective	2	
	Strike less effective	3	
	B.K.	4	
81. Do you think that you can obtain quicker or better results from your management by using strikes or other forms of pressure before you have exhausted constitutional procedure?	Yes, quicker and better results	1	
	Yes, quicker results	2	
	Yes, in some circumstances	3	
	No	4	
	B.K./no experience other (specify)	5	
82. Do you think that workers are justified in withdrawing their labour or using other forms of pressure in breach of procedure -	Yes	No	B.K.
a) if management has broken an agreement? - - - - -	1	2	3
b) if management appears to be resorting to unreasonable delay in dealing with grievances? - - - -	1	2	3
c) if there is no other way of preventing management from discharging one of their workmates unfairly? - - -	1	2	3
d) in any situation where they think that by acting in this way they can get what they want? - - - - -	1	2	3
83. Do you think that your members are more, less, or as militant as you? (based on taking action for the union)	More	1	
	Less	2	
	As militant	3	
	B.K.	4	
84. Do you think that stewards have enough say in your union's policy at local level?	Yes	1	
	No	2	
	B.K.	3	
	other (specify)	4	
a) And do stewards have enough say at national level?	Yes	1	
	No	2	
	B.K.	3	
	other (specify)	4	
85. How do you think your work as a steward (workshop representative) is regarded by your members? Do you:	- most appreciate what you do for them - most take it for granted - or some appreciate it and some take it for granted? - Other (specify)		
		1	
		2	
		3	
		4	
86. How do you think your work as a steward (workshop representative) is regarded by your union? Is it -	very well appreciated	1	
	fairly well appreciated	2	
	taken for granted	3	
	or not appreciated?	4	

87. And how far do you think your work as a steward is accepted by management?	In it - Reported	accepted willingly accepted unwillingly ignored or not accepted at all?	1 2 3 4
88. Do you find the job of steward (workshop representative) rewarding and satisfying or not?		Yes No	1 2
IF YES OR NO: a) In what way(s)?			
89. Do you want to continue to do the job?		Yes No	1 2
	Hill continue because no one else wants it Other (specify)		3 4
90. Do you belong to any other associations besides the union - for example, a political party, religious, welfare, or local government organisations?		Yes No	1 2
IF YES: a) Which?		Political party Other (specify)	3
b) Do you take an active part in any of them, for example, hold office? (specify)		Yes No	1 2
		H.C. Hold office Committee member Other (specify)	3
<u>Classification</u>			
91. Sex:		Male Female	1 2
92. What was your age last birthday?		Yrs.	
93. Are you married, single or widowed?		Married Single Separated/widowed	1 2 3
94. What type of school did you last attend full-time?		Elementary/secondary modern Central/intermediate/higher grade/technical State grammar/county high Other (specify)	1 2 3 4
95. Apart from this, have you received any further education?		Yes No	1 2
IF YES: a) Specify:		Full-time Part-time	2 3
b) At what age did this finish?		Yrs.	
96. Have you obtained any of the following qualifications:		None GCE 'A'/HSC/Inter. GCE 'O'/GSC Full industrial apprenticeship Other (specify)	0 1 2 3 4
97. What was your take-home pay last week? (or the last week you worked)		Up to £7.10 Over £7.10 to £10 Over £10 to £12.10 Over £12.10 to £15 Over £15 to £20 Over £20 to £25 Over £25 to £30 Over £30	1 2 3 4 5 6 7 8

SURVEY OF TRADE UNION FULL-TIME OFFICERS

Interviewer _____	Interviewer No. _____	_____	_____
No. officials made _____ Date of interview _____ Grade _____			
1. Of which union are you an officer?			
2. What is your official title or a union officer?			
a) How long have you held this post?		LESS THAN 1 YEAR	1
		1-4 YEARS	2
		5-9 YEARS	3
		10 OR MORE YEARS	4
b) Have you held any other full-time posts with your present union?		YES	A
		NO	1
IF YES: c) Which posts?			
d) How long altogether have you been a full-time officer with your present union?		LESS THAN 1 YEAR	1
		1-4 YEARS	2
		5-9 YEARS	3
		10 OR MORE YEARS	4
e) Did you hold any other union offices immediately before you became a full-time official?		YES	A
		NO	1
f) IF YES: e) Which offices?			
g) How long were you a member? (total period)		LESS THAN 1 YEAR	1
		1-4 YEARS	2
		5-9 YEARS	3
		10 OR MORE YEARS	4
h) Did you hold any offices in 19 (them)?		YES	A
		NO	1
i) IF YES: h) Which offices?			
j) What was your full-time occupation (immediately) before you became a full-time officer (with this or any other union)?			
k) Would you like in due course to become a more senior officer in your union?		YES	A
		NO	1
l) If YES: k) In what capacity?			
m) Have you taken part in any courses of training or instruction for your present full-time union post?		YES	A
		NO	1
n) If YES: m) Name any different kinds of courses -----			
(IF MORE THAN 5 Kinds OF COURSES ASK FOR DETAILS OF THE 5 MOST IMPORTANT)			
o) What did it cover?	No. on 1st DAY UNDERTAKEN	1. THE 1ST - DAY RELEASE	1. DID IT HELP YOU
	T.O.G.	2. PENSION CLASSES	2. A LOT
	H.C.L.C.	3. CED-MEXICO COURSES	3. A LITTLE
	OTHER (SPECIFY)	4. CORRESPONDENCE COURSES	4. OR NOT AT ALL
		5. OTHER (SPECIFY)	5.

10. How long do you spend on average each week on your official union duties? ----- hrs.

11. How do you spend your time at a trade union office? (refer to sheet sent in advance)

OFFICE	CORRESPONDENCE	
	OTHER ADMINISTRATIVE WORK,	
OUTSIDE THE OFFICE	NEGOTIATING WITH MASTERS AND APPRENTICES AT WORKPLACES	
	MEETING MEMBERS INDIVIDUALLY	
	PARISH MEETINGS	
	RECOGNISING	
	ORGANISING	
	TRAVELLING	
	ANY OTHER DUTIES (SPECIFY)	

12. How many members of your union are you responsible for? ----- (refer to sheet sent in advance).

13. Can you name the (main) industries they work in, and the approximate numbers of members in each? (refer to sheet sent in advance)

14. Do you know (roughly) the total number of different plants or establishments which employ the workers you are responsible for? (refer to sheet sent in advance) -----	
a) In the last 12 months, roughly how many of these did you visit?	
MORE THAN 50 TIMES	
3-50 TIMES	
ONCE OR TWICE	
NOT AT ALL	

15. How many union branches are your members in? -----

16. Did you manage to attend each one of these branches at least once during the last 12 months or not?

IF YES a) How many branches did you attend in that period? -----

IF NO b) Did you attend each one of these branches at least once during the last 6 months?

IF NO c) How many of the branches did you attend in that period? -----

TO ALL d) How many branches did you attend last month? (excluding holiday period)? -----

17. Are there any other unions in your area (district) which organise the types of worker you organise?

IF YES e) Does this result in competition for members in any industries or firms?

IF YES f) Which unions are involved?  
    i) Which industries?  
    ii) Which types of work?

18. Have you secured trade union recognition by management at any plant or establishment during the last 12 months?

IF YES g) In how many plants (establishments)? -----

i) b) Were any of these in respect of non-manual workers?

IF YES h) i) How many establishments?  
    ONE 1  
    TWO 2  
    THREE 3  
    FOUR OR MORE 5

- 15. What is the general attitude of employers you deal with towards non-union workers being organised in trade unions?

20. (DO NOT ANSWER A.D.W.I. OFFICERS)

Were you elected or appointed for your present job as a full-time official? (D.W.I. (7 & 8))  
ELECTED 1  
APPOINTED 2

IF ELECTED: a) Were you elected -

(RIGHT - IN A SECRETED ELECTION WHEN THE PREVIOUS OFFICER RETIRED  
.40 INC-1 WITHOUT OPPONENT, WHEN THE PREVIOUS OFFICER RESIGNED  
AS THE FIRST OFFICER IN THE UNION  
OTHER (SPECIFY) 7

b) Are you regularly opposed when standing for re-election?

D.W.I. (NUMBER OF YOU RE-ELECTED)  
YES 1  
NO 2

IF NO: c) Were you ever been opposed when standing for re-election?

YES 3  
NO 4

21. (DO NOT) Do you know how the previous full-time official came to give up his

D.W.I. (DO PREVIOUS FULL-TIME OFFICER)  
RETIRING DUE TO OLD AGE/YEAR RETIREMENT 1  
DISEASE 2  
OTHER (SPECIFY) 3

22. When trying to increase the earnings of your members, what arguments do you use to present your case?

a) For any items not given above sake: Do you ever use -  
SUIT OF LAWYER 1  
THE LEVEL OF PAYOFF (IN THE PLANT) 2  
COMPARISON WITH OTHER WORKERS IN THE SAME PLACE OR NEARBY 3  
COMPARISON WITH OTHER WORKERS IN DIFFERENT PLACES OR NEARBY 4  
CHARGE IF THE RETURN OF THE JOB 5  
ABNORMAL CONDITIONS OF MONEY 6

IF MORE THAN ONE ANSWERED: b) Which argument do you consider most important?

DISCUSSION

23. a) Can you now roughly keep track of whom or workshop representatives you are responsible for? (Under to sheet sent in advance) →

b) Can you say roughly how many standards (representatives) you met during the last 4 weeks at meetings of your union? →

c) And, in addition to those, roughly how many did you meet during that period at the place of work? →

d) Did you contact any additional standards in any other way during that period on union business? →

(CHECK TOTAL ESTIMATED NUMBER OF STANDARDS CONTACTED IN THE LAST 4 WEEKS) →

24. In the last 12 months, have you taken part in any meetings with members and/or shop stewards apart from those meetings? YES 1  
NO 2

IF YES: a) How many meetings? →

b) How many of these meetings were held inside the plant (on the site)? →

c) And how many were held outside the plant (off the site)? →

IF ANY OUTSIDE SITE: d) Did management permission usually have to be obtained? YES 1  
NO 2

IF YES (CODE 3): e) Was permission often refused? YES 3  
NO 4

IF YES (CODE 3): f) How was their

25. In the past 12 months, have you organised any meetings with standards (representatives) from particular workplaces or localities? YES 1  
NO 2

IF YES: a) How many meetings? →

b) Which industries were involved? →

c) What was the purpose(s) of the meetings? →

27. How often do issues which you discuss with management concern other unions as well as your own?	1. VERY OFTEN	1
	2. FAIRLY OFTEN	2
	3. SELDOM	3
	4. NEVER	4
IF YES OR : a) Which industries are involved? FAIRLY OFTEN b) Which unions?		
a) Would it help to solve these issues if fewer unions were involved?	YES	1
	NO	2
28. Which industries where you have members have the most effective and influential shop stewards?		
a) What do you think are the reasons for this?		
29. And which industries where you have members have the least effective and influential shop stewards?		
a) What do you think are the reasons for this?		
30. Do you think that enough shop stewards at present have training for their job as steward?	YES	1
	NO	2
	TRAINING AVAILABLE BUT NOT USED	3
	DOESN'T KNOW	4
31. In your experience, do shop stewards on the whole get a lot of benefit from training, only a slight benefit, or no benefit at all?	A LOT	1
	SLIGHT	2
	NONE AT ALL	3
	DOESN'T KNOW	4
32. In general, do you think full-time officers have sufficient influence over the activities of stewards and members in the industries you are responsible for?	YES	1
	NO	2
IF NO: a) In which industries do you think they have insufficient influence?		
33. Would you like to see full-time officers play a more important part in local negotiations in the industries you are responsible for?	YES	1
	NO	2
	ALREADY PLAY AN IMPORTANT PART	3
	DOESN'T KNOW	4
34. Are any of your members organised so that all those employed at a particular place of work are members of the same branch?	YES	1
	NO	2
IF YES: a) Does it help you to communicate with members when they are organised so that all those employed at a particular place of work are members of the same branch?	YES	1
	NO	2
	MAKES NO DIFFERENCE	3
	DOESN'T KNOW	4
		5
35. Are the branches you are responsible for ever used as places where the workplace grievances and claims of your members can be discussed?	YES	1
	NO	2
IF YES: a) Does this happen -	VERY OFTEN	1
	FAIRLY OFTEN	2
	SELDOM	3
	OR NEVER	4
		5
36. How else do you communicate with your members to discuss their workplace grievances and claims? PICK ONE AND ONLY ONE THAT APPLIES	WORKPLACE MEETINGS	1
	THROUGH SHOP STEWARDS	2
	PRIVATE VISITS TO INDIVIDUALS	3
	CORRESPONDENCE	4
	TELEPHONE	5
	OTHER (SPECIFY)	6
37. Are the branches you are responsible for ever used as places to decide workplace policy?	YES	1
	NO	2
IF YES: a) Does this happen -	VERY OFTEN	1
	FAIRLY OFTEN	2
	SELDOM	3
	OR NEVER	4
		5
38. How else do you communicate with your members to help decide workplace policy? PICK ONE AND ONLY ONE THAT APPLIES	WORKPLACE MEETINGS	1
	THROUGH SHOP STEWARDS	2
	PRIVATE VISITS TO INDIVIDUALS	3
	CORRESPONDENCE	4
	TELEPHONE	5
	OTHER (SPECIFY)	6
39. Do you consider that your opportunities for communicating with your members are satisfactory?	YES	1
	NO	2
IF NO: a) How could they be improved?		
40. Do you consider that your opportunities for communicating with stewards (workshop representatives) are satisfactory?	YES	1
	NO	2
IF NO: a) How could they be improved?		

16. Are you given sufficient scope to members and stewards at the place of work?	YES	1
IF YES: a) Is that industry in general more difficult? b) How could the situation be improved?	NO	2
17. Do any of the stewards you deal with meet with stewards at their place of work who belong to other unions? I don't mean meetings at which members of management are present?	YES	1
IF YES: a) Do such meetings have any advantages or disadvantages from your point of view?	ADVANTAGES	3
	DISADVANTAGES	4
	SOME ADVANTAGES, SOME DISADVANTAGES	5
	NO EFFECT	6
IF ADVANTAGES (CODES 3 or 5); b) What are the advantages?		
IF DISADVANTAGES (CODES 4 or 5); c) What are the disadvantages?		
18. Do any of the stewards you deal with meet with stewards who belong to other unions and who are from workplaces besides their own?	YES	1
	NO	2
	DK	3
IF YES: a) Do such meetings have any advantages or disadvantages from your point of view?	ADVANTAGES	3
	DISADVANTAGES	4
	SOME ADVANTAGES, SOME DISADVANTAGES	5
	NO EFFECT	6
IF ADVANTAGES (CODES 3 or 5); b) What are the advantages?		
IF DISADVANTAGES (CODES 4 or 5); c) What are the disadvantages?		
19. Would you like arrangements by which employees deduct union contributions from pay to benefit yourself?	YES	1
	NO	2
	DK	3
<u>Relations with Management</u>		
20. Thinking of the management you have contact with, would you say that in dealing with the issues you raise they are -	VERY REASONABLE	1
	FAIRLY REASONABLE	2
	OR UNREASONABLE	3
21. Are there any industries you deal with where management are more difficult than most?	YES	1
IF YES: a) Which industries are these?	NO	2
22. Do you find a greater readiness to be reasonable at different levels of management?	YES	1
IF YES: a) At lower or higher levels?	NO	2
	HIGHER	3
23. Are there any kinds of questions which you think you ought to be able to discuss with management but which they generally regard as their own right to decide?		
24. On the whole, do you consider management to be -	VERY INEFFICIENT	1
	FAIRLY INEFFICIENT	2
	NOT VERY INEFFICIENT	3
	OR INEFFICIENT	4
25. In what ways could management in general become more efficient?		
26. In which of the industries you deal with do you think management are:		
a) Most efficient		
b) Least efficient		
27. In general, is management's attitude towards trade unions reasonably fair or not?	NO	1
	YES	2
	YES, WITH QUALIFICATION (SPECIFY)	3
28. Are there any industries you deal with where management's attitude is less reasonable and fair than most?	YES	1
IF YES: a) Which industries?	NO	2
29. In your experience, when a shop steward and a full-time officer are equally competent to deal with an issue, which do management prefer to deal with?	SHOP STeward	1
	UNION OFFICER	2
	NO PREFERENCE	3
30. Do you feel that your union ought to have more full-time officers?	YES	1
	NO	2
31. What actions do you think the procedures for dealing with grievances and claims are in the industries in which you negotiate? Would you say they are -	VERY GOOD	1
	PROMPT	2
	FAIRLY GOOD	3
	OR NOT GOOD	4

57. Are there any industries whose procedures you regard as inadequate?	YES	1
IF YES: a) Which industries?	NO	1
58. Do you think that the procedure in any individual industry works particularly well?	YES	1
IF YES: a) Which industry?	NO	1
<u>Industrial Action</u>		
59. Do you think that workers can obtain quicker and better results from their managements by using strikes or other forms of pressure before they have exhausted constitutional procedure?	YES, QUICKER AND BETTER RESULTS YES, QUICKER RESULTS YES, IN SOME CIRCUMSTANCES NO D.E. OTHER (SPECIFY)	1 2 3 4 5 6
60. Do you think that workers are justified in withdrawing their labour or using other forms of pressure in breach of procedure -	YES 1 2 3	NO 1 2 3
a) if management has broken an agreement -----	1 2 3	
b) if management appears to be resorting to unreasonable delay in dealing with grievances -----	1 2 3	
c) if there is no other way of preventing management from discharging one of their workmates unfairly? -----	1 2 3	
d) in any situation where they think that by acting in this way they can get what they want? -----	1 2 3	
61. Do you think that on the whole shop stewards are more or less militant than their members or would you say they are about the same? (militant = keen on taking action for the union).	MORE LESS ABOUT THE SAME D.E.	1 2 3 4
62. How do you think the work of stewards is generally regarded by their members? Do -	HOST APPRECIATE WHAT THE STEWARD DOES FOR THEM HOST TAKE IT FOR GRANTED OR SOME APPRECIATE IT AND SOME TAKE IT FOR GRANTED OTHER (SPECIFY)	1 2 3 4
63. From your point of view, how do you regard the work of stewards?		
64. Are there any industries you deal with where you think that shop stewards have too much influence and power compared with full-time officers like yourself?	YES NO	1 1
IF YES: a) Which industries are these?		
65. Do you think that shop stewards are generally too ready or too slow to contact you?	TOO READY TOO SLOW OTHER (SPECIFY)	1 2 3
66. How far do you think the work of stewards is generally accepted by management? Is it	ACCEPTED WILLINGLY ACCEPTED UNWILLINGLY IGNORED OR NOT ACCEPTED AT ALL	1 2 3 4
67. What do you think is the <u>main</u> reason why people take on the job of steward?		
68. What do you think is the <u>main</u> reason why stewards give up the job?	LEAVE THE FIRM CLOSE DOWN OF JOB GET PROMOTED DEFEAT IN AN ELECTION VICTIMISED/DISMISSED OTHER (SPECIFY)	1 2 3 4 5 6
69-75. CLASSIFICATION DETAILS AS STEWARDS: Qs 90-92, 94-97 (Incomes asked as net annual income)		

SURVEY OF WORKS MANAGERS AND  
PERSONNEL OFFICERS

Code		
1.	Does your firm recognise trade unions in this plant?	
	a) For manual workers?	YES 1 NO 2
	b) For non-manual workers?	YES 3 NO 4
IF YES (1), or (3): For how many years has it done so -		
	(a) for manual workers - - - - -	YEARS →
	(b) for non-manual workers? - - - - -	YEARS →
IF TRADE UNIONS ARE NOT RECOGNISED STOP INTERVIEW		
2.	Is this plant one of a number of different plants (in this country) belonging to the same firm?	
		YES 5 NO 6
IF YES: a) How many plants does your firm have in this country? *****		
	b) How many people does your firm employ in this country? *****.MANUAL *****.NON-MANUAL	
2a) What executive functions do you have, that is, apart from advisory functions?		
2b) What advisory functions do you have?		
2c) What is the highest level in the firm at which there is some responsibility for personnel matters?		
<u>Employers' Associations</u>		
3.	Is this plant in membership of an employers' association?	
		YES 7 <u>(GO TO Q.4)</u> NO 8
IF YES (7): a) Can you tell me its name?		
	b) Does the plant derive any practical benefit from membership?	YES 1 NO 2
IF YES (1): c) What are they?		
	d) Does membership of your employers' association give rise to any disadvantages?	YES 2 NO 3
IF YES (2): e) What are they?		
<u>NOW GO TO Q.5</u>		
<u>IF NO TO Q.3:</u>		
4.	Have you ever been a member of an employers' association?	
		YES 8 <u>(GO TO Q.10)</u> NO 9
IF YES: a) Why did you leave it?		
" "		

5. Have you ever wished to make concessions of any kind to a trade union and then found that your employers' association did not approve of it?	YES	7
	NO	8
IF YES (7): a) What kind of concession was it?		
b) Did you make the concession or not?	YES	1
	NO	2
	OTHER	3
IF YES (1) or OTHER (3):		
1) What did the association do?		
IF NO (8): a) If you did wish to make a concession which your employers' association did <u>not</u> approve of, would you go ahead and make the concession or not?	WOULD MAKE CONCESSION	4
	WOULD NOT MAKE CONCESSION	5
	D.K.	6
6. Have you any specific criticisms to make of your employers' association which are distinct from disadvantages of membership? YES	YES	1
IF YES: a) What are they?	NO	2
7. Are there any practical ways in which the work of your employers' association could be improved? YES	YES	1
IF YES: a) In what ways?	NO	2
8. Has your firm contacted an official of your employers' association during the last twelve months? YES	YES	3
	NO	4
	NOT NOW IN MEMBERSHIP	5
IF YES: a) How many times? .....		
b) For what purposes?		
9. Do you think that your employers' association has a lot of power over its members, a fair amount, or no power at all? A LOT	A LOT	6
	A FAIR AMOUNT	7
	NONE	8
IF A FAIR AMOUNT OR NONE: a) Do you think that employers' associations should have more power over their members? YES	YES	1
	NO	2
	D.K.	3
10. Are the majority of workers in your plant covered by a wages council? (GO TO Q14) YES	YES	4
	(GO TO Q11 or Q15) NO	5
IF MEMBERS OF AN EMPLOYERS' ASSOCIATION (Yes to Q.3): ASK Q11 & Q12		
11. When there is a national wage settlement for your industry how are the wage rates of workers adjusted when they are on -		
a) Time work?		
b) Payment by results?		
12. As a result of adjustments do any of the local rates of pay also change? Do they rise or fall or remain the same?	DNA	0
	RISE	6
	FALL	7
	REMAIN THE SAME	8
	(GO TO Q.15)	

IF NOT MEMBERS OF AN EMPLOYERS' ASSOCIATION (No to Q.3)

13. When there is a national wage settlement for your industry, are the wage rates of the workers at your plant generally adjusted at the same time?

D.N.A.	0
YES	1
NO	2

IF YES (1): a) As a result of adjustments do any of the local rates of pay also change? Do they rise or fall or remain the same?

RISE	3
FALL	4
REMAIN THE SAME	5

(NOW GO TO Q.5)

IF YES TO Q.10

14. Are your workers paid more than the relevant statutory minimum rates?

D.N.A.	0
YES	6
NO	7

IF YES: a) When the statutory minimum rates are raised are the earnings of your workers raised by more, by the same amount or by less?

MORE	1
SAME AMOUNT	2
LESS	3

(NOW GO TO Q.8)

IF NO TO Q.10: ASK Q.15-17:

15. How do rates in your plant generally compare with nationally negotiated rates for the same jobs?

D.N.A.	0
HIGHER	4
SAME	5
LOWER	6
D.K.	7

16. Are there any groups of workers you would like to be able to pay more money to?

YES	A
NO	1

D.N.A. 0

IF YES: a) Why can't you pay them more?

17. Are there any groups you would like to be able to pay less to?

YES	A
NO	1

D.N.A. 0

IF YES: a) Why can't you do so?

ASK ALL:

18. Are any of your manual workers paid on some system of payment by results?

YES	1
NO	2

IF YES (1): a) Does this apply to all of them, most of them or a minority only?

ALL	3
MOST	4
A MINORITY	5
NONE	6
D.K.	7

b) Would you be in favour of replacing this system by some other method?

YES	8
NO	9

IF YES (8): c) What prevents you making a change?

D.K.	0
------	---

IF NO (9): d) Would you be in favour of replacing the present system by some method of payment by results?

YES	1
NO	2

IF YES (1): e) What prevents you making a change?

D.K.	3
------	---

19. Do you have a personnel department?	YES NO	4 5
IF YES (4): a) What are its duties?		
b) Do they include some responsibility for dealing with trade unions?	YES NO	6 7
c) Do they include responsibility for engaging and dismissing workers?	YES NO	1 2
IF NO (5): a) Who in your plant is responsible for engaging and dismissing workers?		
20. Do you find any difficulty in recruiting labour?	YES NO	3 4
IF YES (4): a) Which groups?		
b) Can you suggest why you have difficulty?		
<u>Unorganisation</u>		
21. Have the trade unions in this plant organised a majority of manual workers?	YES NO	5 6
22. Have they organised a majority of non-manual workers?	YES NO	7 8
23. Do any of the workers in your plant have to be union members <u>before</u> the firm will engage them?	YES NO	1 2
IF YES (1): a) Does this apply to all, most or only a few manual workers?	ALL MOST ONLY A FEW NONE	3 4 5 6
b) Does it apply to all, most or only a few non-manual workers?	ALL MOST ONLY A FEW NONE	7 8 9 0
IF NO (2): a) Do any of the workers have to <u>become</u> union members in order to keep their jobs?	YES NO	2 3
IF YES (2): i) Does this apply to all, most or only a few manual workers?	ALL MOST ONLY A FEW NONE	4 5 6 7
ii) Does this apply to all, most or only a few non-manual workers?	ALL MOST ONLY A FEW NONE	1 2 3 4
IF WORKERS HAVE TO BE UNION MEMBERS (YES (1) OR YES (2))	D.N.A. YES NO	0 1 2
a) Is this the result of any formal agreement?		
IF NO: i) What action do you take if a union demands the removal of a non-unionist or loosed member?		

24. Do you think, from an employer's point of view, that it is helpful or not if workers have to belong to the appropriate union in order to keep their jobs?

YES, HELPFUL  
NO, NOT HELPFUL  
OTHER (SPECIFY)

1  
2  
3

25. Are there any joint committees in this plant where workshop representatives meet jointly with management to discuss and settle problems?

YES  
NO

8  
9

IF NOT A MEMBER OF AN EMPLOYERS' ASSOCIATION (NO to Q.3):

26. Is there a formal procedure laid down for dealing with claims and grievances in this plant?

D.N.A.  
YES  
NO

0  
1  
2

IF NO: How are they dealt with?

HOW DO TO Q.29

IF A MEMBER OF AN EMPLOYERS' ASSOCIATION (YES to Q.3): Ask Qs 27 &

28

27. In addition to national procedures have you your own formal plant procedure?

D.N.A.  
YES  
NO

0  
1  
2

28. Could you say whether there has been a change in recent years in the use of procedure for settling grievances both in the plant and above the level of the plant?

- a) Within the plant has the use of procedure increased, decreased or remained about the same?

INCREASED  
DECREASED  
THE SAME

5  
6  
7

IF Increased/Decreased:

- i) Can you estimate the percentage increase/decrease?..... %

- b) Above plant level has the use of procedure increased, decreased or remained about the same?

INCREASED  
DECREASED  
THE SAME

1  
2  
3

IF Increased/Decreased:

- i) Can you estimate the percentage increase/decrease?..... %

- o) How often do you have a dispute in your plant which involves reference to procedure above the level of your plant?

VERY OFTEN	1
FAIRLY OFTEN	2
SOMETIMES	3
NEVER	4

Shop Stewards

29. Are there any shop stewards (workshop representatives) in your plant?

YES  
(GO TO Q.31) NO4  
5

IF YES (4):

- a) How many unions do they represent? ----->  
D.K. Y
- b) How many shop stewards are there altogether?.....
- c) Are the earnings of workers in your plant ever increased as a result of efforts of shop stewards on their behalf? YES  
NO

6  
7

IF YES (6): i) In what ways?

- ii) What arguments do shop stewards use to press their case for an increase?  
(Ask and then check procedure)

PROMPT

THE COST OF LIVING ?

THE LEVEL OF PROFITS (IN THE FIRM) ?

COMPARISONS WITH OTHER WORKERS IN SAME PLACE OF WORK ?

COMPARISONS WITH OTHER WORKERS IN DIFFERENT PLACES OF WORK ?

CHANGE IN THE NATURE OF THE JOB ?

ABNORMAL CONDITIONS OF WORK ?

1  
2  
3  
4  
5  
6

- iii) Which argument do you consider most convincing?

30. Are any of the shop stewards senior stewards or convenors?

YES  
NO7  
8

IF YES

- a) Have you yourself met a senior steward or convener on union business during the last twelve months?

YES  
NOA  
9

IF YES (A): i) How many times?

\*\*\*\*\*

- b) Do senior stewards differ in any way from other stewards?

YES  
NOA  
B

IF YES (i): i) Do they have more or less influence over their members?

MORE

LESS

D.K./SAME

4  
5  
6

ii) Are they more or less militant than other stewards?

MORE

LESS

D.K./SAME

7  
8  
9

iii) Are they easier to get on with or more difficult?

EASIER

MORE DIFFICULT

D.K./SAME

1  
2  
3

iv) Are they more or less able as shop stewards than ordinary stewards?

MORE ABLE

LESS ABLE

D.K./SAME

4  
5  
6

v) Do they differ in any other ways?

34. Do any of the shop stewards act on behalf of another union's members besides their own?

YES	1
NO	6
D.N.L.	9

IF YES a) Are any of these stewards senior stewards (convenors)?

YES	1
NO	2
D.N.L.	3

b) Which unions are involved?

35. QUESTION ON ISSUES DISCUSSED AND SETTLED WITH STEWARDS - SAME LIST AS Q.67 ON STEWARDS' SCHEDULE BUT NO DISTINCTION BETWEEN STANDARD PRACTICE AND RARELY.

36. How often do you have to deal with grievances and claims involving more than one union?

VERY OFTEN	4
FAIRLY OFTEN	3
SOMETIMES	2
NEVER	1
D.N.L. (one union only)	0

IF VERY/FAIRLY OFTEN/REGULARLY (Codes 4,5,6)

a) Would it help in dealing with grievances and claims if fewer unions were involved or would it make no difference?

HELP	1
MAKE NO DIFFERENCE	2

IF NO STANDARDS - Q9 TO Q.41

37. Do any shop stewards spend all their time at work (with your agreement) on trade union business?

YES	1
NO	2

38. Do you yourself deal directly with shop stewards regularly, fairly frequently, on rare occasions, or never?

REGULARLY	3
FAIRLY FREQUENTLY	4
RARE OCCASIONS	5
NEVER	6

IF REGULARLY/FAIRLY FREQUENTLY (Codes 3 or 4)

a) Approximately how many hours, on average do you spend each week on labour relations matters? ..... HOURS

b) How much of this time is spent with shop stewards alone? ..... HOURS

c) How much of this time is spent with shop stewards accompanied by full-time union officials? ..... HOURS

39. Are the demands made by shop stewards (the demands that reach you) reasonable ones that you can do something about?

ALWAYS	1
USUALLY	2
SOMETIMES	3
NEVER	4

40. Does management as a whole handle complaints and claims with reasonable speed?

YES	5
NO	6

IF NO: a) What causes this?

IF NO STANDARDS - Q9 TO Q.41

41. Do the shop stewards in this plant have written credentials from their unions?

YES	7
NO	8
SOME YES, SOME NO	9
D.N.L.	0

42. Have you ever objected to a particular person's appointment as a steward?

YES	1
NO	2

IF YES: a) Was the person actually appointed?

YES	3
NO	4

40. Have any of the shop stewards in this plant ever had their credentials withdrawn by their union?	YES	3
IF YES: a) Why?	NO	4
	D.K.	5
<u>Procedure</u>		
41. Does your firm agree to deduct union subscriptions out of the pay packet?	YES	6
IF NO SUMMARY - GO TO Q.49	NO	7
42. Can stewards in your plant leave the job (task) when they want to contact members?	YES	8
	NO	9
IF YES      a) Do they have to get permission first?	YES	1
	NO	2
b) Is permission ever withheld?	YES	3
	NO	4
43. Do the stewards ever hold meetings of members at the place of work during working time or breaks?	DURING WORKING TIME	5
	DURING BREAKS	6
	NO	7
IF DURING WORKING TIME (5):		
a) Do they have to get permission first?	YES	8
	NO	9
IF YES (8): i) From whom?		
ii) Is permission ever withheld?	YES	1
	NO	2
IF YES (1): iii) How often?	VERY OFTEN	3
	FAIRLY OFTEN	4
	SELDOM	5
iv) Do they have to say what the purpose of the meeting is?	YES	7
	NO	8
IF YES (7): v) The last time this happened what was the purpose of the meeting?		
44. Do shop stewards <u>ever</u> bring your foremen grievances and claims on behalf of their members which have not previously been raised by members with their foremen?	YES	1
	NO	2
IF YES    a) Could you say whether this happens very often, fairly often or seldom?	VERY OFTEN	3
	FAIRLY OFTEN	4
	SELDOM	5
	D.K.	6
b) Do your foremen discuss such issues and try to settle them with the shop steward if they can?	YES	7
	NO	8
45. Do your shop stewards have to get permission of the foremen before they can contact higher management?	YES	1
	NO	2
46. Are there any ways in which stewards can get access to higher management without going through the foremen?	YES	3
	NO	4

47. Are there any stewards in your plant who have more facilities than most other stewards?	YES NO	1 2 3 4 5
IF YES : a) Are these senior stewards or convenors?	YES NO	1 2 3 4 5
b) Can they contact higher management without first going through the foremen?	YES NO	1 2 3 4 5
IF YES (1): c) How can they do this?		1 2 3 4 5
48. Should you say that shop stewards in this plant regard the need to go through formal procedure as -	VERY IMPORTANT FAIRLY IMPORTANT OR NOT IMPORTANT?	1 2 3
49. On the whole do you think that the procedure for dealing with workers grievances and claims works well or not?	WELL NOT WELL	1 2 3 4 5
IF NOT WELL : a) Why not?		
	b) Who is most to blame for this?	
	c) How could the procedure be improved?	
<u>Management Attitudes</u>		
50. Do you think that the lower levels of management in this plant are more or less ready than you are to agree to union demands?	MORE READY LESS READY ABOUT THE SAME D.K.	1 2 3 4 5
IF NO RESPONSE - GO TO Q.51		1 2 3 4 5
51. Do you think that the lower levels of supervision fully appreciate your problems in dealing with shop stewards, partly appreciate them, or don't appreciate them at all?	FULLY PARTLY NOT AT ALL D.K.	1 2 3 4 5
52. Do you keep lower levels of management informed if and when you decide issues with stewards?	YES NO NEVER SENSES NECESSITY	1 2 3 4 5
IF YES (1): a) How?		
	b) Are your foremen satisfied that they are sufficiently well informed if and when you decide issues with stewards?	
	YES NO D.K.	1 2 3 4
53. Whose point of view are stewards most inclined to take -	MANAGEMENT'S WORKERS FIFTY-FIFTY D.K.	1 2 3 4
54. How efficient, as workers' representatives, do you consider the shop stewards where you work are? Are they -	VERY EFFICIENT FAIRLY EFFICIENT NOT VERY EFFICIENT OR INEFFICIENT	1 2 3 4 5
55. To what extent do you think that the shop stewards you deal with are helping management to solve its problems and run the plant more efficiently?	QUITE A LOT IN A MEDIUM WAY OR NOT AT ALL?	1 2 3

56. How reasonable are the shop stewards to deal with? Are they generally -	VERY IRREASONABLE FAIRLY IRREASONABLE OR UNREASONABLE?	4 5 6
57. Would you say that shop stewards are more willing or less willing than their members to take militant action? Or are they about the same?	MORE LESS D.K./ABOUT THE SAME	7 8 9
<u>Full-time Union Officers</u>		
58. Do you think that shop stewards in this plant are, on the whole, inclined to seek the advice and help of full-time union officials -	TOO MUCH OR ABOUT THE RIGHT AMOUNT? OTHER (specify)	1 2 3 4
59. In comparison with the importance of shop stewards in your system of negotiation and consultation, would you say that full-time officers are -	UNIMPORTANT QUITE IMPORTANT OR VERY IMPORTANT?	5 6 7
60. What proportion of the grievances and claims settled at your level involve the intervention of a full-time officer in the negotiations -	ALL THREE-QUARTERS ABOUT HALF ONE-QUARTER OR NONE?	1 2 3 4 5
61. How many times have you contacted or been contacted by a full time union officer during the last twelve months? IF CONTACTED ONE OR MORE TIMES: a) What circumstances and grievances are most likely to lead to you seeing a full-time officer? b) Thinking of the last time, what was the nature of the issue? IF NO STEWARDS - GO TO Q.6X		
62. When either a full time union officer or a shop steward is competent to settle a claim, which do you prefer to deal with?	SHOP STEWARD UNION OFFICIAL D.N.A.	6 7 8
63. How important are full-time union officers in industrial relations in your plant IF FAIRLY/NOT (Codes 2,3): a) Would you like to see them play a more important part?	VERY IMPORTANT FAIRLY IMPORTANT OR NOT IMPORTANT? YES NO	1 2 3 4 5
IF YES (4): i) What prevents them from doing so?		
64. How much notice do you think stewards in this plant take of union instructions and policy? Do they -	A LOT OF NOTICE A FAIR AMOUNT OF NOTICE A LITTLE NOTICE OR NO NOTICE AT ALL?	6 7 8 9
65. Would you say that shop stewards are more or less likely to be prompted than other workers in this plant?	MORE LIKELY LESS LIKELY NO DIFFERENCE	1 2 3
<u>Discipline</u>		
66. Do you impose penalties to discipline workers in this plant? IF YES (4): Is there a special procedure laid down under which workers can appeal against disciplinary penalties?	YES (GO TO Q.67) NO	4 5
IF YES (4): a) In the case of dismissal? b) In the case of other punishment?	YES NO	6 7 8 9

IF YES, (6 and/or 8): a) That is the highest level to which an appeal can go?		
d) Can a worker who appeals be accompanied by his shop steward?	YES NO	1 2
IF NO (7 and/or 9) a) Is there no special procedure, are appeals dealt with through the ordinary disputes procedure?	YES NO	3 4
IF NO (4) f) Is it, all the same, generally understood that workers can appeal to higher levels of management against disciplinary penalties?	YES NO	5 6
IF NO STEWARDS - GO TO Q. 68		
67. Are Shop stewards treated in the same way as other workers as far as discipline goes?	YES NO NO SHOP STEWARDS	7 8 9
IF NO: a) Are they more or less likely than other workers to be subject to dismissal or other disciplinary penalties?	MORE LIKELY LESS LIKELY	1 2
68. On the whole would you say that matters of discipline are dealt with fairly in this plant?	YES NO	3 4
IF NO: a) In what way are they unfair?		
<u>Utilisation of labour</u>		
69. Do you think that there are ways in which the organisation and arrangement of work in your plant could be improved if you were free to arrange your labour force as you wished?	YES NO	A 1
IF YES: a) What percentage of working hours could you save? .....		
b) Do you think that trade unionism is a factor in preventing you from arranging your labour as you would wish? Is it -	A BIG FACTOR A FAIRLY BIG FACTOR ONLY A SMALL FACTOR OR NOT A FACTOR? OTHERS (specify)	1 2 3 4 5
70. Are there any particularly time-wasting and inefficient labour practices in this plant?	YES NO	6 7
IF YES: a) Can you name them?		
b) What causes this?		
c) How could these practices be got rid of?		
d) Have you attempted to calculate roughly the percentage of labour cost per unit of output which would be saved if you could remove those practices?	YES NO	1 1
IF YES: a) What is it? .....		
71. Do you think that the workers in this plant could reasonably be expected to put more effort into their jobs or not?	YES NO	A 1
IF YES: a) Could you give a percentage estimate of the increase in effort that they could achieve? .....		
b) Why don't they make this effort?		
72. Does this plant work overtime -	REGULARLY OCCASIONALLY OR NEVER	1 2 3
IF REGULARLY:		
a) If you could guarantee no loss of earnings by what percentage could you reduce overtime, on average, without affecting production or quality? .....		

73. Do you find it possible to plan ahead so far as manpower needs are concerned?	YES	4
	NO	5
IF YES: a) How many years ahead do you plan? .....	YES.	"
74. Do you maintain any labour statistics in this plant?	YES	1
	NO	2
IF YES: Do they cover: a) rates of absence through sickness b) rates of absence other than sickness c) rates of labour turnover d) accident rates e) hours of work lost through strikes f) anything else (specify)		
IF NO STEWARDS - GO TO Q.76		8
75. Can you estimate, in any way, what proportion of your shop stewards are replaced each year?	YES	7
	NO	8
	D.N.A.	9
IF YES: a) What is the percentage? .....		4
76. QUESTION ON STRIKES AT PLANT SINCE A WORKS MANAGER/PERSONNEL OFFICER - SAME AS Q.79 ON STEWARDS' SCHEDULE.		

77. Rate any form of pressure-other-than-strikes been used in disputes at this plant while you have been works manager? Have there been any STRIKES TO ENFORCE OVERTIME PAYMENT WEEKEND TO REST NO SICKNESS OTHER (SPECIFY)?	Classification	
	78. What does this plant produce or do?	
	79. No. of employees in plant? NUMBER.....	
	80. No. of foremen (first line supervisors) .....	
	81. No. of trainees .....	
	82. Does firm run any training courses for STAFF MANAGERS WORKERS SHOP STEWARDS	
IF YES TO ANY: a) How many times have these... (other forms of pressure) been used in the past 12 months?	83. If yes courses: a) Do (any of) these include training in Industrial relations YES - STAFF YES - FOREMEN YES - WORKERS YES - SHOP STEWARDS	
NEVER ONCE TWICE 3 OR 4 TIMES 5 OR MORE TIMES	0	5 6 7
IF YES TO 76 & 77: b) Do you think the strike was more or less effective than...{other form of pressure mentioned?} STRIKE MORE EFFECTIVE STRIKE LESS EFFECTIVE D.N.A.	5 6 7	5 6 7 8

78. Lastly, can I ask you some questions about yourself? a) How long have you been a works manager in this plant? ..... .....	INTERVIEWER'S NAME.....	
	INTERVIEWER NO. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	
	TIME INTERVIEW FINISHED .....	
	TIME INTERVIEW STARTED .....	
b) Could you tell me the names of the 3 previous jobs you had (in this or any other company) before you became a works manager here?	Personal Officer at plant? YES 1 NO 2	
c) Have you ever held any job which was primarily devoted to industrial relations problems?	YES 1 NO 2	
d) Have you had any training for management other than experience?	YES 3 NO 4	IF YES Interviewed YES 3 NO 4
IF YES: a) What kind of training?		Foreman(s) at plant? YES 5 NO 6
(i) On	MALE 5 FEMALE 6	IF YES None interviewed 7 1 interviewed 8 2 interviewed 9
d) What was your age last birthday? YES →		Reason for refusal/non-attendance with works manager/firm,

SURVEY OF FOREIGN

CODE	→			
1. What is your job (what do you actually do)?				
2. What was your job before you became a foreman?				
3. How long have you worked for ... (present firm)? - - - - - YES				
4. How long have you been a foreman in this plant (establishment)? -- YES				
5. Did you work for this firm before you became a foreman?	YES	1		
IF NO: a) Were you a foreman at your previous firm?	NO	2		
	YES	3		
	NO	4		
IF YES (CODE 3): b) How long altogether have you been a foreman? YES.				
6. Are you interested in promotion in your firm?	YES	A		
IF YES: a) To what position?	NO	1		
b) Do you think there is a reasonable hope that you may get it? YES	NO	1		
IF NO (CODE A) Why is that?		A		
7. Have you taken part in any course of training for your job as a foreman?	YES	A		
IF YES: a) Did you go to more than one course?	NO	1		
IF YES (CODES A or 2): Who was it (were they) run by?	YES	2		
IF NO	NO	3		
8. Have you taken part in any course specifically designed to help you deal with industrial relations?	YES	1		
	NO	2		
9. Are you a member of a trade union?	YES	A		
IF YES: a) Which union(s) do you belong to?	NO	1		
b) How long have you been in your present union(s)? YES.				
c) Does your union have negotiating rights on behalf of foremen in your firm?	YES	1		
	NO	2		
10. How many workers do you supervise? *****				
11. Are the majority of the workers you supervise doing:		MANUAL	1	
		OR NON-MANUAL WORK?		
IF MANUAL: a) Do you supervise:		SKILLED	3	
		SEMI-SKILLED	4	
		OR UNSKILLED WORKERS?	5	
b) And are they on:		PRODUCTION WORK	6	
		OR OFF-PRODUCTION WORK?	7	
12. Are you personally responsible for <u>suspending</u> workers?	YES	1		
	NO	2		
13. Can you personally <u>dismiss</u> a worker entirely on your own authority?	YES	3		
	NO	4		

Unionisation

14. Are any of the workers you supervise members of a trade union?

IF YES: a) Which unions?

b) Are all of them, most of them, or only some of them members of a trade union?

YES	1
NO	2
ALL	1
MOST	2
SOME	3
D.K.	4

15. Do any of the workers you supervise have to be trade union members before the firm will engage them?

YES	1
NO	A
D.K.	2
YES	3
NO	4
D.K.	5

IF NO: a) Do any of the workers you supervise have to become union members in order to keep their jobs?

YES	3
NO	4
D.K.	5

16. Are there any shop stewards (workshop representatives) representing the workers you supervise?

YES	A
(GO TO Q19)	1
NO	1

IF NO: a) How many shop stewards are there altogether? .....

b) Which unions do they belong to?

17. Are the earnings of the workers you supervise ever increased as a result of the efforts of shop stewards on their behalf?

YES	1
NO	2

IF YES: a) In what ways?

b) What arguments do stewards use to press their case for an increase? (ASK OPEN, THEN CHECK PRE-CODES)

COST OF LIVING?	1
THE LEVEL OF PROFITS (IN THE FIRM)?	2
COMPARISONS WITH OTHER WORKERS IN THE SAME PLACE OF WORK?	3
COMPARISONS WITH OTHER WORKERS IN DIFFERENT PLACES OF WORK?	4
CHANGE IN THE NATURE OF THE JOB?	5
ABNORMAL CONDITIONS OF WORK?	6

IF MORE THAN ONE ARGUMENT: c) Which argument do you consider most persuasive?

18. Are any of the shop stewards who represent the workers you supervise, senior stewards or convenors?

YES	1
NO	2
D.K.	3

19. How often do you have to deal with grievances and claims involving more than one union?

PROMPT	4
FAIRLY OFTEN	5
SELDOM	6
OR NEVER?	7

IF VERY OR FAIRLY OFTEN: a) Would it help in dealing with grievances and claims if fewer unions were involved, or would it make no difference?

WOULD HELP	8
WOULD MAKE NO DIFFERENCE	9
D.K.	0

IF NO SHOP STEWARDS - GO TO Q22

20. Do any of the shop stewards you deal with act on behalf of another union's members besides their own?

YES	1
NO	2
D.K.	3

IF YES: a) Which unions are involved?

b) Are these senior stewards (convenors)?	YES	1
	NO	2
	SOME OF THEM	3
	D.K.	4

21. Approximately how many hours did you spend last week dealing with grievances and claims advanced by union members and/or their stewards?	HRS. →
a) Approximately how many hours of this time was spent talking to union members on their own, without the presence of their stewards?	HRS. →
22. Are the grievances and claims raised by workers directly with you reasonable ones you can do something about -	ALWAYS 1 USUALLY 2 SOMETIMES 3 OR NEVER 4
<b><u>IF NO SHOP STEWARDS - GO TO Q25</u></b>	
23. Are the grievances and claims raised by shop stewards on behalf of the workers you supervise reasonable ones you can do something about -	ALWAYS 5 USUALLY 6 SOMETIMES 7 OR NEVER 8
24. What proportion of grievances and claims raised by shop stewards do you settle without reference to a higher level of management?	ALL 1 MOST 2 ONLY A FEW 3 OR NONE? 4
25. Are complaints and claims on the whole dealt with with reasonable speed?	YES 1 NO 2
IF NO: a) Whose fault is it?	
26. QUESTION ON ISSUES DISCUSSED AND SETTLED WITH STEWARDS - SAME LIST AS Q.67 ON STEWARDS' SCHEDULE BUT NO DISTINCTION BETWEEN STANDARD PRACTICE AND RARELY ADDITIONAL QUESTION OF WHETHER EACH ISSUE USUALLY SETTLED AT FOREMAN LEVEL OR REFERRED TO HIGHER LEVEL.	
27. Can the steward(s) who represent(s) the workers you supervise leave the job to contact members whenever they want?	YES A NO 1
IF YES: a) Do they have to get permission from you first?	
IF YES (CODE 2): b) Do you ever withhold permission?	
IF YES (CODE 2): c) Is permission ever withheld?	
28. Do the stewards you deal with ever hold meetings of members at the place of work - during working time or breaks? YES, DURING WORKING TIME YES, DURING BREAKS	
IF DURING WORKING TIME: a) Do they have to get permission first? YES 3 NO 4	
IF YES (CODE 3): b) From whom? c) Is permission ever withheld?	
IF YES (CODE 3): d) Is it withheld -	
e) Do they have to say what the purpose is? YES C NO 1	
IF YES (CODE C): f) What was the purpose of the meeting? g) Why was permission withheld?	

29. Do you ever settle problems raised by union members without bringing them to their shop steward?	YES	A
IF YES: a) How often?	NO	1
	VERY OFTEN	2
	FAIRLY OFTEN	3
	OR SOMETIMES	4
30. Do shop stewards ever bring you grievances and claims on behalf of members which have not previously been raised with you?	YES	A
	NO	1
IF YES: a) How often?	VERY OFTEN	2
	FAIRLY OFTEN	3
	OR SOMETIMES	4
	b) What action do you take when this happens?	
31. Do the shop stewards you deal with have to raise an issue with you before they can raise it with higher levels of management?	YES	1
	NO	2
32. Do the shop stewards you deal with have to get your permission first before they can contact higher management?	YES	A
IF YES: a) Are there any ways in which stewards can get access to higher levels and bypass you?	NO	1
	YES	2
IF YES (CODE 2): b) In what ways?	NO	3
	c) Do you approve or disapprove of this?	
	APPROVE	1
	DISAPPROVE	2
IF DISAPPROVE: d) In what way(s)?		
	e) How could this practice be avoided?	
33. When something is settled at a higher level of management with shop stewards, how do you come to hear of it? Does MANAGEMENT TELL YOU OR DO YOU HEAR IT FROM SHOP STEWARDS? OTHER (SPECIFY)		
a) Does this work out all right in practice?	YES	1
	NO	2
		3
34. Do the shop stewards you deal with have satisfactory facilities for contacting members at the place of work? Are these VERY SATISFACTORY FAIRLY SATISFACTORY OR UNSATISFACTORY?		
		1
		2
		3
35. On the whole, do you think that the procedure for dealing with workers' grievances and claims works well or not?	WELL	4
IF NOT WELL: a) Why not?	NOT WELL	5
	b) Who is most to blame for this?	
	c) How could the procedure be improved?	
36. How do you think that higher levels of management in your plant compare with you in agreeing to union demands? Would you say that they -	AGREE MORE READILY	1
	OR AGREE LESS READILY	2
	OTHER (SPECIFY)	3
<u>IF NO SHOP STEWARDS - GO TO Q10</u>		
37. Do you consider that higher levels of management in your plant appreciate the foreman's problems in dealing with shop stewards? FULLY Do they appreciate them -	PARTLY	8
	OR NOT AT ALL?	9
		0
38. How satisfied are you with the amount of authority you have to deal with issues raised by shop stewards? Are you -	VERY SATISFIED	1
	FAIRLY SATISFIED	2
	OR DISSATISFIED?	3
IF DISSATISFIED: a) In what ways could management give you more authority to deal with issues raised by stewards?		
39. Are there any questions raised by shop stewards which you have to refer to higher management, but which you think you ought to be free to settle yourself?	YES	1
IF YES: a) What are these?	NO	2

40. Would you say that higher management is very reasonable, fairly reasonable, or too lenient in dealing with issues raised by the unions?

YES  
VERY REASONABLE  
FAIRLY REASONABLE  
TOO LENIENT

0  
1  
2  
3

IF NO SHOP STEWARDS - GO TO Q5a

41. Whose point of view do the shop stewards you deal with usually take -

MANAGEMENT'S  
THE WORKERS'  
OR IS IT FIFTY FIFTY?  
D.K.

4  
5  
6  
7

42. To what extent do you think that the shop stewards you deal with are helping management to solve its problems and run the plant more efficiently?

QUITELY A LOT  
IN A MINOR WAY  
OR NOT AT ALL?  
OTHER (SPECIFY)

1  
2  
3  
4

43. How efficient, as workers' representatives, do you consider the shop stewards where you work are? Are they -

VERY EFFICIENT  
FAIRLY EFFICIENT  
NOT VERY EFFICIENT  
OR INEFFICIENT?

1  
2  
3  
4

44. How well do you get on with the shop stewards at your place of work -

VERY WELL  
FAIRLY WELL  
OR NOT VERY WELL?

5  
6  
7  
8

45. Would you say that shop stewards are more, less or as militant as their members? (keen on taking action for the union)

MORE  
LESS  
AS MILITANT  
D.K.

1  
2  
3  
4

46. Do the shop stewards you deal with have any time off from work in order to perform their duties as shop stewards?

YES  
NO

1  
2

IF YES: a) Can you say roughly how many hours last week?

HRS. →

47. Do you consider that the shop stewards you deal with can always get their members to see things their way? NO/EVERYONE HAS OWN OPINION

YES  
SOMETIMES  
OTHER (SPECIFY)

1  
2  
3  
4

a) Do you think there are any circumstances in which they are unlikely to get their members to agree with them?

YES  
NO

1  
2

IF YES (Ques A): b) What are these circumstances?

48. Do the stewards you deal with ever refuse to raise an issue with management on behalf of their members?

YES  
NO

1  
2

IF YES: a) What issues?

49. How do you think the work of stewards is regarded by their unions? In general, is it -

VERY WELL APPRECIATED  
FAIRLY WELL APPRECIATED  
TAKEN FOR GRANTED  
OR NOT APPRECIATED?

1  
2  
3  
4

50. How do you think the work of stewards is regarded by their members? Do -

MOST APPRECIATE WHAT THE STEWARD DOES FOR THEM  
MOST TAKE IT FOR GRANTED  
OR SOME APPRECIATE IT AND SOME TAKE IT FOR GRANTED?  
OTHER (SPECIFY)

5  
6  
7  
8

51. Do you think that shop stewards are more or less likely than other workers to be promoted in this plant (site)?

MORE LIKELY  
LESS LIKELY  
NO DIFFERENCE

1  
2  
3

52. Do you think that the shop stewards you deal with are, on the whole, inclined to seek the advice and help of full-time union officers -	TOO MUCH TOO LITTLE OR ABOUT THE RIGHT AMOUNT? OTHER (SPECIFY)	4 5 6 7
53. How much notice do you think stewards in this plant take of union instructions and policy? Do they take -	A LOT OF NOTICE A FAIR AMOUNT OF NOTICE A LITTLE NOTICE OR NO NOTICE AT ALL?	1 2 3 4
54. Is there competition between unions to recruit the workers you supervise? IF YES: a) Would grievances and claims be easier to settle if there were not this competition?	YES NO YES OTHER (SPECIFY)	1 1 2 3
<u>Discipline</u>		
55. Do you have authority to impose penalties to discipline workers? IF YES: a) In what ways? b) Do you feel that your decisions are adequately backed up by higher management?	YES NO YES NO	1 2 9 0
IF NO SHOP STEWARDS - GO TO Q.57		
i) Are shop stewards treated in the same way as other workers as far as discipline goes?	YES NO	1 4
IF NO (CODE A): ii) Are stewards more or less likely than other workers to be subject to dismissal or other disciplinary penalties?	MORE LIKELY LESS LIKELY D.K.	2 3 4
56. For what reasons do you think that management would be justified in discharging a shop steward?	AGITATION/INCITING TROUBLE ORGANISING AN UNOFFICIAL STRIKE/STOPPAGE SAME REASON AS ANY OTHER WORKER/BREAKING RULES OTHER (SPECIFY)	1 2 3 4
57. On the whole, would you say that matters of discipline are dealt with fairly in this plant (site)? IF NO: a) In what way?	YES NO	1 4
58. Do you personally know of any cases where a worker you supervise was disciplined or punished in some way by the union or members of the union? IF YES: a) Thinking of the last (that) case - was it considered:	YES NO AT A SHOP FLOOR/SITE MEETING BRANCH MEETING OTHER (SPECIFY)	A 1 2 3 4
i) What was the alleged offence? ii) Which union was involved? iii) Do you consider that the matter was dealt with fairly?	YES NO D.K.	1 2 3
iv) Was the worker disciplined in any other way?	YES NO D.K.	4 5 6
<u>arnings</u>		
59. Is there a nationally agreed standard working week for the workers you supervise? IF YES: a) How long is it? b) What are their agreed overtime rates?	YES NO .....hrs. HIGHER THE SAME OR LOWER? D.K.	A 1 1 1 2 3 4
60. How do the rates in your particular shop compare with national rates? Are they -		

61. What proportion of the workers you supervise are employed on some system of payment by results?	PROMPTS	A MINORITY OR NONE? OR MOST? D.K.	5. 6 7 8 9
IF ALL OR MOST: a) Would you be in favour of replacing this system by some other method?	YES NO D.K.	A 1 2	
IF YES: b) Why do you favour a change?			
IF MINORITY OR NONE: c) Would you be in favour of replacing the present system with payment by results?	YES NO D.K.	A 1 2	
IF YES: d) Why do you favour a change?			
	INCENTIVE/MAKE MORE MONEY MORE PRODUCTIVITY FOR FIRM EASIER TO CONTROL BETTER QUALITY WORK OTHER (SPECIFY)	3 4 5 6 7	
62. In comparison with other manual (non-manual) workers in the plant, do you consider the workers you supervise are paid a fair amount?	YES NO SOME FAIRLY, OTHERS NOT D.K.	1 2 3 4	
<u>Utilisation of labour</u>			
63. Do you think that the kind of work the people you supervise do could be better organised and arranged, or do you think that this is well enough done already?	COULD BE BETTER WELL ENOUGH ALREADY D.K.	5 6 7	
IF 'COULD BE BETTER': Do you think that it could be done -			
a) By fewer people?	YES NO D.K.	1 2 3	
b) In less time?	YES NO D.K.	4 5 6	
c) Who prevents this - unions or management?	UNIONS MANAGEMENT D.K.	7 8 9	
64. Do you feel that you have adequate scope to ensure that the work you supervise is done in the most efficient way?	YES NO IF NO: a) In what way is your scope inadequate?	1 A	
65. Do you think that the workers you supervise could put more effort into their job than they do now, or do you think they are putting in a reasonable amount already?	COULD PUT IN MORE PUT IN A REASONABLE AMOUNT IF COULD PUT IN MORE: a) Why don't they make this effort?	A 1	
66. Do you work overtime in this plant -	REGULARLY OCCASIONALLY OR NEVER? IF REGULARLY: a) If you could guarantee no loss of earnings, how much could you reduce overtime, on average, without affecting production or quality? Could you get rid of -	1 2 3 4 5 6	
	ALL OF IT MOST OR JUST SOME OF IT? D.K.	3 4 5 6	
67-S. QUESTION ON STRIKES AND OTHER FORMS OF PRESSURES USED AT PLANT SINCE A FOREMAN - BASED AS Q.79 ON STEWARDS' SCHEDULE AND Q.80.			
68. Do you find the job of foreman rewarding and satisfying? (Probe in what way)			
70-5. CLASSIFICATION DETAILS AS STEWARDS' Qs.91-7, EXCLUDING MARITAL STATUS			

SURVEY OF TRADE UNION MEMBERS

1. Do you now have a job? (Include those on holiday, sick leave or on strike)	YES (IF YES OR UNKNOWN) NO 1 2
- (IF YES) a. Do you work for yourself or someone else? (IF "SELF" OR UNKNOWN) SELF SOMEONE ELSE 1 2	
- (IF SOMEONE ELSE) b. Is this a full-time or part-time job? (Do you work more or less than 30 hours a week?) 1. FULL-TIME (IF "PART-TIME" OR UNKNOWN) PART-TIME 1 2	
Are you a member of a trade union or employees association?	
	YES (IF "NO" USE NON-MEMBERS QUESTIONNAIRE) NO 1 2
(IF YES) a. Are you a shop steward (representative)?	
	YES (IF "NO" OR UNKNOWN) NO 1 2
b. Which union(s) do you belong to? -----	LESS THAN 2 YEARS 2-4 YEARS 5-9 YEARS 10-20 YEARS MORE THAN 20 YEARS DON'T KNOW 1 2 3 4 5 6
<u>JOB HISTORY</u>	
3. What is your job (what do you actually do)?	
4. What does your firm produce or do?	
5. How many people are employed at your place of work?	UNDER 100 100-499 500 or over DON'T KNOW 1 2 3 4
6. How long have you worked for.....(present firm)?	LESS THAN 1 year 1-4 years 5-9 years 10 or more years 1 2 3 4
- (IF LESS THAN 10 YEARS) a. How many other firms have you worked for during the past 10 years?	
7. Are there opportunities for you to be promoted where you work?	YES NO TO Q.6 1 2 3 DON'T KNOW
8. Are you interested in getting promotion where you work?	
	YES NO 1 2
(IF YES) To what position?	
To. Do you think there is a reasonable hope that you may get it?	
	YES NO DON'T KNOW 1 2 3
(IF NO) Why is that?	

<u>TRADE UNIONS</u>		YES NO DON'T KNOW	1 2 3
Q. Are trade unions recognized at your place of work?			
Q. At your place of work, are <u>ALL</u> , <u>most</u> , or <u>only some</u> of the people doing your kind of work, members of a trade union?		ALL MOST SOME DON'T KNOW	1 2 3 4
(IF ALL OR MOST)		GO TO Q.30. { <u>ONLY THE OTHER KIND OF WORK</u>	5
Q. At your place of work, do you have to be a trade union member before you can get a job?		YES NO DON'T KNOW	1 2 3
(IF NO) Q. Do you have to become a trade union member in order to keep your job?		YES NO DON'T KNOW	1 2 3
(IF YES TO Q.30) Q. Would you drop out of the union if you did not have to be a member in order to keep your job?		YES NO DON'T KNOW	1 2 3
Q. What made you decide to become a trade union member?			
Q. Were you asked to become a trade union member or did you decide to become one without being asked?		ASKED NOT ASKED DON'T KNOW	1 2 3
(IF ASKED) Q. Who asked you? SHOP STEWARD TICKET/CHQ/COLLECTING STEWARD BRANCH SECRETARY BRANCH CHAIRMAN BRANCH OF BIG UNION COMMITTEE COLLEGE EXPLORER		SHOP STEWARD TICKET/CHQ/COLLECTING STEWARD BRANCH SECRETARY BRANCH CHAIRMAN BRANCH OF BIG UNION COMMITTEE COLLEGE EXPLORER	1 2 3 4 5 6 7
Q. Who else?		OTHER (SPECIFY)	8
Q. Has anyone got a shop steward or someone who does the work of a steward (i.e. represents your views to management)?		YES NO IF YES or NO, OR IF NOT ASK Q.30 (IF DON'T KNOW) A. (a) OR Q.14-31	1 2 3
(IF YES) a. Is he called a shop steward?		YES NO	1 2
(IF NO) b. Is that his known name?			
Q. Are there any other workers?			
Apart from my staff workers' unions, roughly how many unions are there where you work besides your own?		GO TO Q.34 ← NONE ONE TWO THREE FOUR FIVE SIX OTHER (SPECIFY APPROX NO.) GO TO Q.34 ← DON'T KNOW	0 1 2 3 4 5 6 7 8
Q. Are there any other workers?			
Apart from my staff workers' unions, roughly how many unions are there where you work besides your own? (IF ONE OR NONE) a. Which unions are they?			

(IF CODES 1-7 to 6,11 or 12 - ASK :)

13. Are there any other unions where you work representing.....  
(the same kind of workers (people) that your union represents?)YES  
NO  
DON'T KNOW  
DRA

(IF YES)

13a. Which unions?		
13b. While you are in your present job would you ever consider changing your union?	YES NO DON'T KNOW	1 2 3
13c. (IF YES) a. In what circumstances would you be free to do so?		
13d. Does your own shop steward (representative) ever act on behalf of members of unions other than his own?	YES NO DON'T KNOW DRA (DO NOT SPECIFY)	1 2 3 4
13e. (IF YES) b. Did members of unions other than his own take part in electing him?	YES NO DON'T KNOW DRA (DO NOT SPECIFY)	1 2 3 4
13f. Have you ever been involved in a grievance or dispute together with members of a union other than your own?	YES NO DON'T KNOW	1 2 3
(IF YES) g. How often?		

[IF NO DRA (DO NOT SPECIFY) - DO NOT ASK Q. 14 - 21]

LESS THAN ONE YEAR

1-4 YEARS

5-10 YEARS

MORE THAN 10 YEARS

DON'T KNOW

DRA

14. How long has your shop steward (representative) had the job?	1 2 3 4 5 6
--	----------------------------

15. Does your shop steward (representative) belong to your branch of the union?

YES  
NO  
DON'T KNOW  
DRA1  
2  
3  
4

16. When your shop steward (representative) first took the job, was he the only candidate for the job or was there more than one?

MORE THAN ONE  
ONLY CANDIDATE  
DON'T KNOW  
DRA1  
2  
3  
4

(IF MORE THAN ONE),

16a. Was there an election when he was first appointed?	YES NO DON'T KNOW DRA	1 2 3 4
(IF YES) b. Did the election take place - (REGD OUT)	IN THE SHOP OR AT A UNION MEETING OTHER (SPECIFY) DON'T KNOW DRA	1 2 3 4 5
c. Was this - (REGD OUT)	BY A SHOW OF HANDS OR BY BALLOT DON'T KNOW DRA	1 2 3 4
d. Did most of the members vote in the election or not?	VOTED DON'T VOTE DON'T KNOW DRA	1 2 3 4
e. Did you vote in the election?	YES NO DON'T KNOW DRA	1 2 3 4

17. In practice does your shop steward have to stand for re-election?

YES	1
NO	2
DON'T KNOW	3
DNA	0

(IF NO) a. Technically, does he have to stand for re-election?  
(e.g.o.k.)

YES	1
NO	2
DON'T KNOW	3
DNA	0

(IF YES TO Q.17 or 18) b. At what intervals?

EVERY YEAR	1
EVERY TWO YEARS	2
IRREGULAR INTERVALS	3
OTHER (SPECIFY)	4
DON'T KNOW	5
DNA	0

18. Has your shop steward (representative) changed while you have been with your present employer?

YES	1
NO	2
DON'T KNOW	3
DNA	0

(IF YES) c. How did the last shop steward come to give it up?

LEFT THE FIRM	1
CLOSED DOWN OR JOB	2
GOT PROMOTED	3
DISSATISFIED/NO CO-OPERATION	4
DEFEATED IN AN ELECTION	5
ILL HEALTH	6
↓	7
OTHER (SPECIFY)	8
DNA	0

CONTACT WITH SHOP STEWARD

19. How often do you meet your shop steward (representative)?

EVERY DAY	1
.....	2
.....	3
.....	4
.....	5
.....	6
.....	7
.....	8
.....	9
.....	10
.....	11
.....	12
.....	13
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.....	67
.....	68
.....	69
.....	70
.....	71
.....	72
.....	73
.....	74
.....	75
.....	76
.....	77
.....	78
.....	79
.....	80
.....	81
.....	82
.....	83
.....	84
.....	85
.....	86
.....	87
.....	88
.....	89
.....	90
.....	91
.....	92
.....	93
.....	94
.....	95
.....	96
.....	97
.....	98
.....	99
.....	100

20. Is it easy or difficult to approach your shop steward (representative) on union matters whenever you need to?

EASY	1
DIFFICULT	2
DON'T KNOW	3
DNA	0

(IF DIFFICULT)

20a. Can you think of any ways in which this could be improved?

21. Has your shop steward (representative) ever refused to relate on issues on your behalf with management?

YES	1
NO	2
DNA	0

(IF YES)

21a. What sort of issues were these?

22. Does your shop steward (representative) generally decide himself what action should be taken over any complaint or dispute, or is this generally decided by the majority of members?

SHOP STEWARD	1
MAJORITY OF MEMBERS	2
DON'T KNOW	3
DNA	0

23. Are there any kinds of question which you think your shop steward (representative) ought to be able to raise with management but which they regard as their own right? YES  
NO  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

(IF YES) a. What do you think he ought to be able to discuss with management?

24. When a problem arises, does your shop steward (representative) usually manage to get a satisfactory settlement with management?

YES  
NO  
SOMETIMES YES, SOMETIMES NO  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

25. Are you satisfied or dissatisfied with the way problems are dealt with where you work?

SATISFIED  
DISSATISFIED  
SATISFIED IN SOME WAYS, BUT NOT IN OTHERS  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

(IF DISSATISFIED) a. Why aren't you satisfied? (CODES 2 or 3)

26. On the whole do you think that complaints and claims are handled with reasonable speed where you work?

YES  
NO  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

(IF NO) a. Who do you think this is?

FOREMAN  
HIGHER MANAGEMENT  
UNION  
SHOP STEWARD  
OTHER (SPECIFY)  
DRA.

1  
2  
3  
4  
5  
6

27. If you have a value problem that you think either your foreman (supervisor) or shop steward (representative) could handle, when do you usually approach first?

FOREMAN  
SHOP STEWARD  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

(IF FOREMAN) b. Does the foreman (supervisor) usually settle the problem without taking it to the steward?

YES  
NO  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

28. How well do your foreman and shop steward (representatives) get on when discussing grievances and claims - RANK OUT

VERY WELL  
FAIRLY WELL  
NOT VERY WELL  
OTHER (SPECIFY)  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5  
6

29. Has your earnings ever been increased by the efforts of your shop steward (representative)?

YES  
NO  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

30. What point of view does your shop steward usually take, the management's or the workers'?

MANAGEMENT'S  
WORKERS'  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

31. Is there anyone where you work who you think would make a better shop steward (representative) than your present one?

YES  
NO  
DON'T KNOW  
DRA.

1  
2  
3  
4  
5

(IF YES) a. Why isn't he the shop steward?

32. Have you ever been a shop steward (representative)?		YES NO	1 2
IF YES,			
32a. How long ago did you cease to be one?			
		LESS THAN 2 YEARS 2 - 4 YEARS 5 - 9 YEARS 10 - 24 YEARS 15 YEARS OR MORE	1 2 3 4 5
32b. Why did you cease to give it up?			
		LEFT THE FIRM CLOSED DOWN OF JOB NOT PROFOUND DEFEATED IN AN ELECTION VICT IMPOSED/DISMISSED OTHER (SPECIFY)	1 2 3 4 5 6
32c. Would you like to become a steward?		YES NO	1 2
(IF NO) a. Why not?			
		TOO MUCH TIME TOO MUCH WORK TOO MUCH RESPONSIBILITY TOO OLD/HEALTH NOT SUIT PERSONALITY/Poor SPONSORSHIP TRAILBLAZERS JOB/HARD TO PLEASE EVERYONE INCOMPETENT KNOWLEDGE OF THE JOB DON'T TAKE ENOUGH INTEREST IN UNION MATTERS OTHER (SPECIFY)	1 2 3 4 5 6 7 8 9
33. Do you hold any office(s) or position(s) in your union?		YES NO	1 2
(IF YES) a. What are they?		TICKET/CARD/COLLECTING STEWARD BRANCH SECRETARY BRANCH CHAIRMAN MEMBER OF BRANCH COMMITTEE OTHER (SPECIFY)	1 2 3 4 5
(IF NO) b. Have you ever held any office or position in your union?		YES NO	1 2
(IF YES) c. What were they?		TICKET/CARD/COLLECTING STEWARD BRANCH SECRETARY BRANCH CHAIRMAN MEMBER OF BRANCH COMMITTEE OTHER (SPECIFY)	1 2 3 4 5
34. Have you ever stood for election to any office including shop steward in your union?		YES NO	1 2
(IF YES) a. Were you successful or unsuccessful?		SUCCESSFUL UNSUCCESSFUL	1 2
35. Do you know of any elections in your union which were not carried out fairly?		YES NO	1 2
(IF YES) a. What office or position was this election for?		TICKET/CARD/COLLECTING STEWARD BRANCH SECRETARY BRANCH CHAIRMAN MEMBER OF BRANCH COMMITTEE OTHER (SPECIFY)	1 2 3 4 5
b. In what way was it unfair?			

36.	Do you ever go to the branch meetings of your union?	YES NO	1 2
(IF YES) a. How many have you attended in the last 12 months	1-4 5-9 10 OR MORE DON'T KNOW NONE	1 2 3 4 0	
b. At the last branch meeting you attended was there any discussion of the grievances and claims of individual members	GO TO Q.37 NO	1 2	
(IF NO) c. Have the grievances and claims of individual members ever been discussed at any branch meeting you have attended?	YES NO	1 2	
37.	Are there people who belong to your branch who do not work at the same place (establishment) as yourself?	YES NO DON'T KNOW	1 2 3
(IF YES) a. Do most of the members of your branch work at the same place as yourself or not?	HAVE 00 HAVE 00 NOT DON'T KNOW	1 2 3	
38.	Does your management allow the shop stewards (representatives) to hold meetings of members at your place of work?	YES NO DON'T KNOW	1 2 3
(IF YES) a. Are their facilities adequate or not?	YES NO DON'T KNOW	1 2 3	
39.	Do you get any information about what is happening in your union?	YES NO DON'T KNOW	1 2 3
(IF YES) a. Where do you get your information from?	SHOP STEWARD NOTICE BOARD AT WORK TALK AT WORK UNION JOURNAL CIRCULARS BRANCH MEETINGS MEETINGS AT WORK OTHER (SPECIFY)	1 2 3 4 5 6 7 8	
40.	Do you get enough or not enough information about what your union is doing?	ENOUGH NOT ENOUGH CAN'T SAY	1 2 3
(IF NOT ENOUGH) a. How could your union tell you more about what is going on?	BY THE SHOP STEWARDS CIRCULARS/MINUTES OF MEETINGS NOTICE BOARD AT WORK/POSTERS OTHER (SPECIFY)	1 2 3 4 5	
41.	Does your union have a journal (magazine)?	YES	1
(IF YES) a. What is it called?	GO TO Q.42 .....	1 2 3	
b. Do you ever see it?	YES NO	1 2	
(IF YES) c. Do you read it regularly?	YES NO	1 2	
d. How do you obtain a copy - PROVIDED	AT THE BRANCH FROM YOUR SHOP STEWARD ..... OTHER (SPECIFY)	1 2 3	

42.	How much is the weekly subscription you pay to your union?	LESS THAN 1/6 1/6 - 1/11 2/- - 2/5 2/5 - 2/11 3/- AND OVER	1 2 3 4 5
43.	Do you pay the political levy?	YES NO DON'T KNOW	1 2 3
44.	How do you pay your union subscription? (IF YES)	COLLECTED BY SHOP STEWARD/COLLECTIVE SIGNING DEDUCTED FROM PAYES SEND IT DIRECT TO UNION/MADE IT TO THE BRANCH STEW (SPECIFY)	1 2 3 4
45.	Does your shop steward collect money from you for any other purpose? (IF NO) b. For what purpose?	YES NO DID (IF shop steward)	1 2 3
46.	If your union had a good reason with which you agreed and asked you to pay a higher subscription, would you be prepared to pay it? (IF YES)	YES NO DON'T KNOW	1 2 3
	46a. Would you be prepared to pay subscriptions doubled if the result was a more efficient union offering better services to members? (IF NO) b. Would you be prepared to pay subscriptions increased by a half? (IF NO) c. Would you be prepared to pay subscriptions increased by a quarter?	YES NO DON'T KNOW	1 2 3
47.	Does your union ever run education or training courses for its members? (IF YES) a. Have you ever been to one?	YES NO 60 TO 64 65 TO 69 DON'T KNOW	1 2 3
	(IF YES) b. (SPECS)	YES NO DON'T KNOW	1 2 3
	Most Recent Course b) What did it cover? c) Was the day release - evening class one week course week-end course correspondence course? Other (specify) d) Did the training you received help you - a lot a little or not at all? e) If not at all, why?	Second Most Recent Course b) What did it cover? c) Was the day release - evening class one week course week-end course correspondence course Other (specify) d) Did the training you received help you - a lot a little or not at all? e) If not at all, why?	Third Most Recent Course b) What did it cover? c) Was the day release - evening class one week course week-end course correspondence course Other (specify) d) Did the training you received help you - a lot a little or not at all? e) If not at all, why?
48.	Met in your agreed basic working week? (SPECS)	40 HRS. 41 HRS. 42 HRS. 43 HRS.	1 2 3 4
49.	Are you employed on some system of payment by results? (IF YES) a. Would you be in favour of replacing this system by some other method such as time rates? (IF YES) b. Why do you favour a change?	YES NO 60 TO 64 65 TO 69 DON'T KNOW	1 2 3

(IF NO  
OR DON'T KNOW)

40a. Would it be possible in your type of job to be paid by results?

YES 1

NO 2

(IF YES) d. Would you be in favour of replacing the present system with payment by results?

YES 1

NO 2

DON'T KNOW 3

(IF YES) e. Why do you favour a change?

50a. Do you ever work paid overtime?

YES 1

NO 2

(IF YES) f. Did you do any paid overtime last week?

YES 1

NO 2

(IF YES TO Q.50a.)

50b. How many hours?

1-4 HRS 1

5-9 HRS 2

10-14 HRS 3

15 HRS &amp; OVER 4

50c. At what rate were you paid? (Time and a half etc.)

First 2 hrs.....

After first 2 hrs.....

Saturday.....

Sunday.....

Bank holidays.....

Other (specify).....

50d. (Ask ALL WHO WORK  
REG INVERTIME)

Assuming that you wouldn't lose any pay do you think that your overtime could be cut without affecting production and the quality of output?

YES 1

NO 2

DON'T KNOW 3

(IF YES)

50e. Do you think it would be possible to get rid of -

ALL OF IT 1  
MOST OF IT 2  
JUST SOME OF IT 3  
DON'T KNOW 4

51a. Do you consider that you are paid a fair or unfair amount in comparison with other workers doing the same kind of work in your firm?

FAIR 1

UNFAIR 2

DON'T KNOW 3

52. Do you think it should make any difference to your pay if the profits of your firm go up?  
(Unclassified industry/public body)

YES 1

NO 2

DON'T KNOW 3

OR 0

53. Do you think that the kind of work you do could be better organised by management or do you think that it is all right as it is?

COULD BE BETTER ORGANISED 1  
ALL RIGHT AS IT IS 2  
DON'T KNOW 3

(IF COULD BE BETTER)

a. Do you think it could be done -

i) by fewer people? YES 1

NO 2

DON'T KNOW 3

ii) in less time? YES 1

NO 2

DON'T KNOW 3

iii) other (specify)

54.	Do you think that people working at your firm could put more effort into their jobs. Does they do now, or do you think that they are making a reasonable effort already?	COULD PUT MORE EFFORT REASONABLE EFFORT ALREADY DON'T KNOW	1 2 3		
a. Why don't they? PROBE					
55.	Is your management's attitude towards trade unions usually reasonable and fair or not?	YES NO DON'T KNOW	1 2 3		
<b>DISPENSING, STRIKES, ETC.</b>					
56.	Do you think that in your job there is any risk of unfair treatment or unfair dismissals?	GO TO 56a. GO TO 57	YES NO DON'T KNOW	1 2 3	
(IF YES) a. Do you think there is (READ ON).					
		HIGH RISK SOME RISK OR ONLY A SLIGHT RISK	1 2 3		
(IF YES) b. Do you think the union would be able to do something effective about this?					
		GO TO 57 GO TO 58	YES NO DON'T KNOW	1 2 3	
(IF NO TO Q.56)					
a. Why is that?		UNION PROTECTION OTHER (SPECIFY)	1 2		
57.	Have you ever been victimised or discriminated against by the management where you are working now because of your trade union activities or views on trade unions or has such a thing never occurred?				
(IF VICTIMISED)				VICTIMISED NEVER OCCURRED DON'T KNOW	
a. How often has this happened?			1 2 3		
b. Is what say (a)? .....					
58. -	Has there been any cases of victimisation or unfair dismissal by the management where you work since you have been there?	GO TO Q.59	YES NO D.K.	1 2 3	
(IF YES)					
58a. How often has this happened?				ONCE TWICE THREE OR MORE TIMES D.K.	1 2 3 4
Thinking of the last incident:					
b. Did it involve employees who were singled out because of their trade union activities?				YES NO D.K.	1 2 3
c. Did the management give other reasons?				YES NO D.K.	1 2 3
(IF YES) (d) What were they? .....					
e. Did it involve the victimisation of shop stewards?				YES NO D.K.	1 2 3

59. Can you be expelled from your union for offences against the rules?

YES  
NO  
D.K.

1  
2  
3

(IF YES) (a) Who has the right to expel you from the union?

TICKET/CARD/COLLECTOR STEWARD  
SHOP STEWARD  
BRANCH SECRETARY  
BRANCH/BRANCH COMMITTEE  
DISTRICT COMMITTEE  
HEAD OFFICE/EXECUTIVE  
ARBITRAL/BALADJAR CONFERENCE  
OTHER (SPECIFY)  
D.K.

1  
2  
3  
4  
5  
6  
7  
8  
9

60. Do you personally know of any cases where a member or members of your union were disciplined or punished in some way by the union or members of the union?

YES  
NO TO Q.51 ← NO

1  
2

(IF YES)  
Thinking of the most recent case/that case

60a. Where was the case considered?

PROMPT  
AT A SHOP FLOOR MEETING  
BRANCH MEETING  
OTHER (SPECIFY)

1  
2  
3

b. What was the offence? \_\_\_\_\_

\_\_\_\_\_

c. Were you involved personally?

YES  
NO

1  
2

d. Was the union officially involved?

YES  
NO  
D.K.

1  
2  
3

e. Do you consider that the action was dealt with fairly or unfairly?

FAIRLY  
UNFAIRLY  
D.K.

1  
2  
3

f. Was the member disciplined in any way?

YES  
NO  
D.K.

1  
2  
3

(IF YES) (g) In what way? \_\_\_\_\_

h. Did the person(s) involved appeal against the decision?

YES  
NO  
D.K.

1  
2  
3

(IF YES) (i) So far as you know did the appeal get a fair hearing?

YES  
NO  
D.K.

1  
2  
3

(j) Was the decision altered as a result of the appeal?

YES  
NO  
D.K.

1  
2  
3

61. Has there been a strike at your place of work since you have been working there?	YES NO TO Q62-Q	1 2	
[IF YES]			
61a. How often have strikes occurred - PROMPT	FREQUENTLY SOMETIMES ONCE ONLY	1 2 3	
61b. Thinking of the last (that) strike - (i) Did the union back the strike or not?	YES NO D.N.	1 2 3	
(ii) What was the strike about? ..... (iii) How many actions were involved? ..... (iv) How many employees went on strike? ..... (v) How long did it last? .....			
61c. Was one the final decisions taken to come out on strike? PROMPT	AT A SHOP FLOOR/SITE MEETING OR UNION MEETING BUT NOT LEVEL	1 2 3	
61d. Do you feel that the strike helped those who took part in it to achieve a more favourable settlement? PROMPT	YES NO D.N.	1 2 3	
62. When you hear of a strike, are your sympathies generally for or against the strikers?	FOR STRIKERS AGAINST STRIKERS NEITHER OTHERWISE	1 2 3 4	
63. What other form of pressure, if any, has been used to dispute with management at your place of work, since you have been working there?	PROMPT THREATS TO STRIKE CREATING DASS WORKING TO RULE GO SLOWLY OTHER (SPECIFY) NONE	H.C. 1 2 3 4 5 6	
64. On the whole, which do you think gets more satisfactory results from your management?	PROMPT STRIKES AND OTHER FORMS OF PRESSURE OR GOING THROUGH THE PROCEDURE FOR SETTLING DISPUTES ? CONT'D PAGE	1 2 3	
65. Do you think that workers are justified in withdrawing their labour or using other forms of pressure in breach of procedure? a) if management has broken an agreement? b) if management appears to be resorting to unreasonable delay in dealing with grievances? c) if there is no other way of preventing management from discharging one of their workers unfairly? d) in my situation where they think that by acting in this way they can get what they want?	YES 1 2 3 1 2 3 1 2 3	NO 3 2 3 2 3 1 2 3	D.N. 3 3 3 3 3 3 3 3
66. How ready do you think that your shop steward is to urge strike or similar action when he is trying to get management to agree over wage dispute?			
67. Do you think that the trade union member's duty loyalty should be -	TO THE UNION TO THE SHOP STEWARD TO HIS FELLOW EMPLOYEES?	H.C. 1 2 3	
68. What are the advantages of belonging to a trade union as far as you are concerned?			
69. What are the disadvantages of belonging to a trade union as far as you are concerned?			
70. Are you satisfied with what your union does for you? (IF NO) (a) Why is that?	YES NO	1 2	

SURVEY OF NON-UNIONISTS

**1-6. SAME AS ON MEMBERS' SCHEDULE**

7. At your place of work are any of the people who are doing your kind of job members of a trade union or employee association?

SO TO 0.75, ← YES  
0.75 TO 0.5, ← NO  
or D.N.

1  
2  
3

(IF YES)

- 8a. How many of them are members of a trade union -

PROMPT	HOST OF UNION	1
	ONE OF THEM	2
or	ONLY A FEW	3
	D.N.	4

- b. Which union(s) do they belong to? .....

- c. Have you been asked to join a trade union since you have been working there?

YES  
0.5 TO 1 ← NO

1  
2

(IF YES) (d) Who asked you?

SHIP STEWARD  
TICKET/CARD/COLLECTING STEWARD  
BRANCH SECRETARY  
BRANCH CHAIRMAN  
MEMBER OF BRANCH COMMITTEE  
COLLEAGUE  
EMPLOYER  
..... OTHER (SPECIFY)

1  
2  
3  
4  
5  
6  
7  
8

- (e) Can you tell me why you didn't join?

(IF NO) TO (c)

- (f) Would you join if asked?

YES  
NO  
D.N.

1  
2  
3

- g. Is management's attitude to trade unions where you work generally reasonable and fair or not?

SO TO 0.5,

YES  
NO  
D.N.

1  
2  
3

- h. Are there any trade unions or employee associations at your place of work?

YES  
NO  
D.N.

1  
2  
3

(IF YES) (i) Which union(s)?

(IF NO) (j) What do you think would be the attitude of your employer if employees where you work began to join a union?

(k) What do you think would be the attitude of your employer if a union asked for recognition?

- l. Would you like to have a representative elected by you and your fellow employees to put your point of view to management or don't you think this would have any advantages?

WORD LINE  
NO ADVANTAGE  
D.N.

1  
2  
3

(IF YES/LIKE)

(n) Do you think this is -  
PROMPT

or  
VERY IMPORTANT  
FAIRLY IMPORTANT  
NOT VERY IMPORTANT  
D.N.

1  
2  
3  
4

4. If there was a trade union where you work for people doing your kind of job, would you join it?

YES  
NO  
D.K.

1  
2  
3

(IF YES TO 4a)

(a) What would be the advantages of belonging to a trade union as far as you are concerned?

(IF YES TO 4a) (b) What would be the attitude of your employer if you joined it?

(IF NO TO 4a)

(a) Why do that.....

ASK ALL (b) Have you ever had any personal contact with trade union members either through your job or among your friends?

YES  
NO  
D.K.

1  
2  
3

5. Do any people at your place of work have to be a trade union member in order to keep their job?

YES  
NO  
D.K.

1  
2  
3

6. Have you ever been a member of a trade union or employee association?

YES  
NO  
GO TO Q.10. ←

1  
2

(IF YES)

7a. Which union(s) did you belong to?

b. Thinking of the last (that) union you belonged to, why did you stop being a member?

c. Did you hold any office(s) or position(s) in your union?

YES  
NO

1  
2

(IF YES) (d) What were they?

SHOP STEWARD/WORKSHOP REPRESENTATIVE  
TICKET/CARD/COLLECTING STEWARD  
BRANCH SECRETARY  
BRANCH CHAIRMAN  
MEMBER OF BRANCH COMMITTEE  
.....OTHER (SPECIFY)

1  
2  
3  
4  
5

(e) How did you come to give it up?

LOFT FIRE/INDUSTRY  
NO ADVANTAGE/NO BENEFIT  
FIREARMED  
TOO EXPENSIVE  
.....OTHER (SPECIFY)

1  
2  
3  
4  
5

8a. Have you ever stood for election to any office in a union?

YES  
NO

1  
2

(IF YES) (g) Were you successful?

YES  
NO

1  
2

b. Do you know of any elections to the union(s) you belonged to which were not carried out fairly?

YES  
NO

1  
2

(IF YES) (i) What offices or positions were the election for?

SHOP STEWARD/WORKSHOP REPRESENTATIVE  
TICKET/CARD/COLLECTING STEWARD  
BRANCH SECRETARY  
BRANCH CHAIRMAN  
MEMBER OF BRANCH COMMITTEE  
.....OTHER (SPECIFY)

1  
2  
3  
4  
5  
6

(j) In what way were they unfair?

11. How did you get your last pay increase?

REGULAR/AUTOMATIC INCREASE  
ASKED FOR IT  
THROUGH A UNION  
OTHER [SPECIFY]

1  
2  
3  
4

12-13. Qs ON OVERSITES, ORGANISATION OF HOME, AND SUPPORT FOR THE JOB  
- SAME AS Qs 30, 33, 34, OR MEMBERSHIP SCHEDULE.

14. Do you think that in your job there is any risk of unfair treatment or unfair discrimination?

YES  
NO

1  
2

(IF YES) (a) Do you think that if you were a trade union member, the union would be able to do something effective about it or would it make no difference?

COULD DO SOMETHING  
NO DIFFERENCE  
D.U.

1  
2  
3

15. Have there been pay cases of victimisation or unfair dismissal by the management where you work since you have been there?

YES  
NO

1  
2  
3

(IF YES) (a) How often has this happened?

00 TO 0.16 ← D.U.

(b) Thinking of the last (most recent) case, what was the reason given by management?

16. Do you personally know of any cases where employees at your place of work were disciplined or punished in some way as a result of action by a union or workers' rep. or union?

00 TO 0.17 ← YES  
NO

1  
2

(IF YES)

Thinking of the most recent case/that case:

16a. What was the offence?

.....

b. Were you involved personally?

YES  
NO

1  
2

c. Do you consider that the matter was dealt with fairly or unfairly?

Fairly  
Unfairly  
D.U.

1  
2  
3

d. Was the member disciplined in any way?

YES  
NO  
D.U.

1  
2  
3

(IF YES) (a) In what way?

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19. In general have you a favourable or unfavourable impression of trade union activities?

FAVOURABLE  
UNFAVOURABLE  
D.U.

1  
2  
3

(IF FAVOURABLE OR UNFAVOURABLE)

(a) In what ways?

20-26. CLASSIFICATION DETAILS AS MEMBER Qs. 71-7.

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Royal Commission on Trade Unions and  
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RESEARCH PAPERS

10

Shop Stewards and Workshop Relations

The results of a study undertaken by  
the Government Social Survey for the  
Royal Commission on Trade Unions  
Employers' Associations

by

W. E. J. McCarthy

*Director of Research, Royal Commission on Trade  
Unions and Employers' Associations*

and

S. R. Parker

*Research Officer,*

*The Government Social Survey*



LONDON

HER MAJESTY'S STATIONERY OFFICE

1968



## FOREWORD

This Research Paper contains the main results of a series of surveys carried out for the Royal Commission by the Government Social Survey. The Commission wishes to thank the Director and his staff for undertaking this work on their behalf.

The Commission is indebted to the trade unions who kindly agreed to co-operate in providing a sample of trade union officers and shop stewards: the Transport and General Workers' Union, the Amalgamated Engineering and Foundry Workers' Union, the General and Municipal Workers' Union, the Electrical Trades Union, the National Union of Railwaymen and the Amalgamated Union of Building Trade Workers.

Chapters 2-4 of the Paper summarise the main facts and expressions of opinion collected as a result of the surveys. They were written by Mr. S. R. Parker of the Government Social Survey. Other chapters, including the interpretations and practical implications drawn from the material in Chapters 2-4, are the work of the Commission's Research Director, Dr. W. E. J. McCarthy. He alone is responsible for the opinions expressed and the judgments made therein. As with earlier publications in this series, nothing in the paper should be taken as necessarily representing or foreshadowing the view of the Royal Commission.

A factual report giving further details of the findings of the surveys will shortly be available from the Government Social Survey. A report evaluating and correlating all the findings in detail is being prepared under Dr. McCarthy's supervision, with the aid of a grant from the Social Science Research Council. It is intended to publish this at a later date, though time does not permit this to be done before the Royal Commission reports.

*Royal Commission on Trade Unions and Employers' Associations  
Lacock House  
March 1968*



## CONTENTS

	Paragraphs	Page	
<b>FOREWORD</b>		iii	
<b>SUMMARY</b>		1-31	1
Summary of Chapter 1		1-3	1
Summary of Chapter 2		4-6	1
Summary of Chapter 3		7-9	2
Summary of Chapter 4		10-13	3
Summary of Chapter 5		14-24	4
Summary of Chapter 6		25-31	6
<b>CHAPTER 1: INTRODUCTION</b>		32-40	9
1. Origins and Scope of the Survey		32-34	9
2. Sources of the Samples		35-38	10
3. The Preliminary Nature of the Findings		39-40	11
<b>CHAPTER 2: NEGOTIATION AND REPRESENTATION</b>		41-116	12
1. Characteristics of the Parties		41-54	12
Age and Experience		42-44	12
Sex		45	13
Education and Training		46-49	13
Ambition and Outside Interests		50-53	14
Summary		54	14
2. The Operation of the System		55-102	15
A. Shop Stewards		55-73	15
The Extent of the Steward System		56	15
How Stewards Emerge		57-59	15
Duties of Stewards		60-61	16
Stewards and their Pay		62-63	17
Facilities for Contacting Members		64-68	18
Workplace Meetings of Stewards		69-71	19
Why Stewards Give Up the Job		72-73	20
B. Range of Bargaining		74-79	20
Arguments Used by Stewards		75	20
Stewards' Range of Bargaining		76-77	21
Managers' Range of Bargaining		78	21
Extending the Range of Bargaining		79	22
C. Procedure		80-89	22
The Senior Steward System		81	22
Joint Committees		82	23
Increasing Use of Procedure		83-84	23
Informal Contacts and Procedures		85-88	23
Frequency of Multi-plant Companies		89	24
D. Evaluations of the System		90-102	25
Stewards		91-93	25
Full-time Officers		94-95	26
Works Managers and Personnel Officers		96-97	27
Foremen		98-99	27

	Paragraphs	Page
Union Members . . . . .	100-101	28
Summary . . . . .	102	29
3. The Influence of Shop Stewards . . . . .	103-116	29
Stewards' Influence on Members . . . . .	104-105	29
Dealings with Management . . . . .	106-110	30
Relative Militancy . . . . .	111-113	31
How Stewards' Work is Regarded . . . . .	114-115	32
Summary . . . . .	116	33
<b>CHAPTER 3: THE ROLE OF TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS . . . . .</b>	<b>117-146</b>	<b>34</b>
1. Unions and Workshop Relations . . . . .	117-134	34
The Role of Full-time Officers . . . . .	118-120	34
The Relative Importance of Full-time Officers . . . . .	121-123	35
Workplace-based Branches . . . . .	124-127	36
Use of Branches . . . . .	128	37
Comparative Branch Involvement . . . . .	129	37
The Closed Shop—Extent and Attitudes . . . . .	130	37
Advantages and Disadvantages of Union Membership . . . . .	131-133	37
Summary . . . . .	134	38
2. The Extent and Consequences of Multi-Unionism . . . . .	135-141	39
The Extent of Multi-unionism . . . . .	135	39
The Consequences of Multi-unionism . . . . .	136-139	39
Problems Caused by Multi-unionism . . . . .	140	40
Summary . . . . .	141	41
3. The Role of Employers' Associations . . . . .	142-146	41
Summary . . . . .	146	42
<b>CHAPTER 4: OTHER ASPECTS OF WORKSHOP RELATIONS . . . . .</b>	<b>147-181</b>	<b>43</b>
1. Systems of Wage Payment . . . . .	147-154	43
Payment by Results . . . . .	148-152	43
Attitudes to Earnings Levels . . . . .	153	44
Summary . . . . .	154	44
2. The Role of Sanctions . . . . .	155-164	44
The Experience of Strikes . . . . .	156-157	45
The Last Strike Experienced . . . . .	158	45
The Experience of Other Forms of Pressure . . . . .	159	46
Attitudes Towards Sanctions . . . . .	160-163	46
Summary . . . . .	164	47
3. Management, Union and Work-Group Discipline . . . . .	165-173	48
Management Discipline . . . . .	166	48
Beliefs About Fairness . . . . .	167-168	48
Victimisation by Management . . . . .	169-170	48
Union and Work-Group Discipline . . . . .	171	49

	<i>Paragraphs</i>	<i>Page</i>
Unfair Elections . . . . .	172	49
Summary . . . . .	173	49
4. Manpower Utilisation . . . . .	174-181	50
Inefficient Labour Practices . . . . .	175	50
Organisation and Arrangement of Work . . . . .	176-177	50
The Level of Worker Effort . . . . .	178	51
Overtime Working . . . . .	179-180	51
Summary . . . . .	181	52
 CHAPTER 5: THE PATTERN OF WORKSHOP RELATIONS . . . . .	 182-240	 53
1. Objectives . . . . .	182-184	53
2. The System of Negotiation and Representation . . . . .	185-195	53
3. Trade Unions and Their Members . . . . .	196-215	56
Attitudes towards Trade Unionism . . . . .	197-198	56
Relations between Stewards and Members . . . . .	199-204	57
Relations between Stewards and Full-time Officers . . . . .	205-210	58
The Role of the Union Branch in Workshop Relations . . . . .	211-212	59
Multi-unionism . . . . .	213-215	60
4. Managers and Their Associations . . . . .	216-222	61
Within the Plant . . . . .	217-219	61
Employers' Associations . . . . .	220-222	62
5. Satisfaction with the System As It Is . . . . .	223-232	62
6. Comparisons with Earlier Studies . . . . .	233-240	65
 CHAPTER 6: PRACTICAL APPLICATIONS . . . . .	 241-275	 69
1. Introduction . . . . .	241-242	69
2. Legal and Other Penalties to Prevent Breaches of Agreements . . . . .	243-248	69
3. More Trade Union Discipline . . . . .	249-255	71
4. More Formal Agreements . . . . .	256-262	73
5. Integrating Shop Stewards into the Union . . . . .	263-268	75
6. Other Implications . . . . .	269-275	77
Unions . . . . .	270	77
Management . . . . .	271-272	77
Government . . . . .	273-275	78
 Tables 1-26 . . . . .	 80	
 APPENDIX I: THE SAMPLES . . . . .	 98	
Shop Stewards . . . . .	98	
Trade Union Full-time Officers . . . . .	100	
Management (Works Managers, Personnel Officers, and Foremen) . . . . .	100	
Union Members and Non-unionists . . . . .	101	

	<i>Page</i>
<b>APPENDIX II: SCHEDULES OF QUESTIONS . . . . .</b>	
Survey of Shop Stewards . . . . .	103
Survey of Trade Union Full-time Officers . . . . .	103
Survey of Works Managers and Personnel Officers . . . . .	118
Survey of Foremen . . . . .	124
Survey of Trade Union Members . . . . .	136
Survey of Non-unionists . . . . .	143
	155

## SUMMARY

(by W. E. J. McCARTHY<sup>1</sup>)

### *Chapter One : Introduction*

1. There has been growing criticism of the amount of overtime worked in British industry in recent years, yet during this period the actual volume of overtime working has increased. There is thus a case for a full examination of the facts and arguments about overtime, to see if they throw any light on what action might be taken to secure its reduction. This is the objective of the research paper, and the introduction sets out the questions which it poses and attempts to answer. It also reviews the published and unpublished sources that have been used.

### *Chapter Two : The Extent of Overtime Working in Britain*

2. In recent years there has been a more or less steady rise in overtime working to its current average level of about six hours a week for adult males. There is overtime in virtually every industry and well over a third of industries work an average in excess of five hours a week. Individual studies of particular plants and establishments indicate levels which in some cases are far in excess of these figures, and show that the published statistics tend to underestimate the extent of overtime, because they do not allow for the substitution of normal hours for overtime hours. The result is that 60 per cent or more of male manual workers work for more than 10 hours a day for three or four days a week, or they know little or nothing of the five day week.

### *Chapter Three : Some Characteristics of Overtime Working*

3. Further examination of overtime patterns show that they are regular and permanent ; it is the same industries, firms and individuals who work high overtime. It can also be shown that those who work overtime consistently are dependent on its maintenance for a significant proportion of their total take home pay. Yet this is an unusual situation, both historically and in relation to other countries. Only France works overtime to anything like the extent known in Britain today.

### *Chapter Four : The Regulation of Overtime and its Supposed Function*

4. The length of time adult males work in Britain is determined at the workplace. National collective agreements on overtime represent at the most attempts to regulate overtime, rather than intentions to restrict it. For the most part they provide simply for union consultation and agreement at local level. There are very few industries where men's hours of work are restricted by legislation, and in practice these are compatible with considerable local initiative and freedom.

5. The traditional justification of such initiative and freedom is the need to respond to sudden emergencies or technical necessities, which can only be

<sup>1</sup> Research Director to the Royal Commission. Dr. McCarthy states that Mr. Whybrew is not responsible for any over-simplifications or errors in this summary.

appreciated and decided at local level. In fact the regular and systematic nature of overtime working in Britain cannot be explained by reference to such factors, which ought surely to result in more varied and spasmodic patterns of work. The actual pressures operating at the workplace are of a different sort. Some of these are explained in the next chapter.

#### *Chapter Five : The Determinants of Individuals' Demands for Overtime and the Attitudes of Trade Unions*

6. Several factors are said to be important determinants of attitudes towards overtime, and this chapter examines the evidence in favour of each of them. It is often argued, for example, that high marginal rates of taxation discourage people from working overtime—but there is little evidence of this. On the other hand there is some indication that heavy financial responsibilities lead to a greater readiness to work overtime, and it seems that it is often the case that those with no family commitments are less willing to work overtime. Yet within every group studied there were variations in the willingness to work overtime, and some who objected to it altogether. A minority wish to get all the overtime they can, while some want only what they regard as their "fair share". There is also evidence that overtime generates a "self-sustaining growth process"—so that groups who experience high rates of overtime for any length of time wish this situation to continue. In all workplaces, irrespective of actual wage levels, there are those who strongly desire and need the money that overtime represents. The satisfaction of their desires usually creates new ones for themselves and others. Junior managers, who are left with the responsibility for deciding overtime levels, are thus subjected to strong pressures to extend and maintain its existence.

7. Traditionally unions have adopted critical attitudes towards overtime and even today virtually all the main industrial unions have an "anti-overtime" plank in their official platform. Yet members in the workplace take a different view. They are less aware than their leaders of the possible long run effects of high overtime on future wage demands. They see overtime as a way of avoiding the introduction of new labour, and as a way of supplementing their own earnings.

#### *Chapter Six : The Functions of Overtime : Further Examination*

8. This chapter examines the functions of overtime in more detail, especially those that stress its role in meeting fluctuating production demands. It is argued that only short term unpredictable fluctuations actually necessitate overtime; longer term and more predictable fluctuations can be met more effectively by variations in normal working hours—i.e. through shift work etc. Reference is also made to case studies concerning the effect of a reduction in hours on output. In over half the plants studied there was no reduction in output when hours were cut.

9. It is concluded that overtime patterns in Britain can best be explained in ways that have little or nothing to do with production demands. There is much more evidence that overtime growth is influenced by relative pay factors, so that it is highest in industries and groups that have low average hourly earnings. Far from making possible essential additional output, much of British overtime now seems to arise out of a desire to waste time at work in order to obtain a living wage.

## *Chapter Seven : Is Overtime Inevitable*

10. This chapter examines the arguments of those who say that even if much of British overtime is unproductive and unnecessary, nothing can be done about it. Against this view it is argued that most other countries manage with much less overtime than we do, and that in particular the Netherlands have managed almost to eliminate overtime. There seems to be no reason to believe that technical problems, or demand fluctuations, are less severe there than in Britain.

11. The chapter also discusses and evaluates nine examples of attempts by British employers to reduce overtime. It is concluded that they provide further support for the contention that current levels of overtime are in no sense "inevitable".

## *Chapter Eight : Conclusions and Methods of Control*

12. The main object of the final chapter is to establish a number of generalisations concerning the type of arrangements required to reduce overtime, and indicate ways in which management might be persuaded to introduce such arrangements. Six conclusions are drawn from the case studies. First, in the plants studied by the author where attempts were made by management to reduce overtime, the initial impetus invariably came from forces which were not directly involved in either the industry or the workplace in question, e.g. higher management, outside consultants, Government policy, etc. This conclusion is seen as highly consistent with the theory of overtime growth advanced in the paper—i.e. the lower levels of management, who have in the past encouraged the growth of overtime, seldom have the power to authorise the changes in work arrangements needed to remove it. *It follows that until and unless the highest level of management are put in the position where they feel they have to do something about overtime nothing will be done.*

13. Second, once the decision to move towards the reduction of systematic overtime has been taken at the highest level, many of the problems related to the nature of the work involved are fairly easily solved. Resistance most frequently arises from lower levels of management who cannot see how their production targets and technical requirements can be met without existing levels of overtime, but it is usually possible to re-organise work flows so that this can in fact be done.

14. Third, schemes which deal with excessive working hours by some form of overtime guarantee or "consolidation" agreement have long term drawbacks. Essentially they formalise the existence of a limited amount of overtime in exchange for the acceptance of work practices which will eliminate the opportunities for other forms of overtime. Their defect is that they commit management to paying for a certain number of overtime hours each week, and thus weaken their incentive to find further ways of doing the work within normal hours. They also encourage the assumption, among workers, that some overtime at least is both inevitable and justifiable.

15. Fourth, schemes which have been launched with determination and common sense have usually given rise to ready co-operation from the trade unions concerned. Once they appreciated management's intentions and objectives all the unions in the examples studied gave the management their support.

16. Fifth, in the two most extensive reductions considered by the author management had at their disposal detailed information concerning patterns of overtime working. The mere fact that this information was being supplied by lower levels tended to encourage them to try to keep the situation under control in future. One lesson of the case studies is that a detailed knowledge of what is taking place helps to ensure that what takes place is what is desired.

17. Sixth, many of the case studies indicate that examining the use of overtime reveals additional opportunities for other changes which will further increase productivity. These often involve a sufficient saving in costs to enable management to hold out attractive financial inducements to their workpeople to gain their willing acceptance for the reductions in overtime required. Thus the planned reduction of overtime can provide a focus for productivity bargaining which is not limited to overtime control alone, since it appears as if those industries and firms with high overtime are usually those most favourably situated to obtain significant increases in productivity.

18. The final section of the concluding chapter concerns ways of inducing more British managers to follow the lead given by those who have successfully tackled their overtime problem. Reference is made to the frequent exhortations of the Prices and Incomes Board concerning the need to reduce overtime, and to their limited effects. The trade union notion of raising overtime premia and basic rates are also considered, and found to be of doubtful utility.

19. In the final paragraphs of the paper the possibility of attacking excessive overtime by legal regulation is discussed. It is argued that, at the very least, this method would have the advantage of providing an external impetus, and that it has worked effectively in the Netherlands. It might, however, be more difficult to apply in Britain, where far more factories and individuals have come to be extremely dependent on overtime. It is suggested that if the legislative solution is acceptable it would probably best be introduced by means of a maximum overtime limit—say eight hours a week. This limit could then be reduced by about one hour per year until it reached two hours. Overtime above such limits would require a permit.

# OVERTIME WORKING IN BRITAIN

By E. G. WHYBREW

## CHAPTER ONE

### INTRODUCTION—PROBLEMS AND SOURCES

#### *The Growing Awareness of the Problem*

1. In recent years an increasing number of commentators have suggested that too much overtime is worked in contemporary Britain. In 1962, for example, Hugh Clegg pointed to the fact that the highest levels of overtime tend to arise in the lowest paid industries—and suggested that much of it arose out of the need to produce tolerable wage packets, rather than to meet production demands.<sup>1</sup> In 1964 Allan Flanders published his widely publicised study of the Fawley Productivity Agreements, which demonstrated that one company at least was able to reduce substantially its rates of overtime without affecting production. Flanders asserted that what had happened at Fawley was capable of being copied elsewhere, and supported Clegg's view that "part of this sustained post-war overtime in Britain has been deliberately contrived for no other purpose than to produce an adequate weekly pay packet".<sup>2</sup> These views were echoed later in the same year by the consultant at Fawley, William Allen, who claimed in a much quoted *Sunday Times* article that "It is sufficient to work overtime at the rate of no more than 2 or 3 per cent of the normal work week".

2. In the last two years additional evidence of a similar kind has arisen from two new sources : reports of the National Board for Prices and Incomes and evidence given to the Royal Commission on Trade Unions and Employers' Associations. Thus in their reports on road haulage rates, bakery wages, the pay and conditions of British Railways Staff and many others, the Board argued that hours of work were unnecessarily long, and suggested ways of reducing them without lowering productivity.<sup>3</sup> Similarly, in their evidence to the Royal Commission, the Confederation of British Industry has admitted that "a good deal of overtime is worked for non-productive reasons" and suggested that "the problem is one which needs to be dealt with urgently by management".<sup>4</sup> Finally, companies such as Mobil Oil and British Oxygen have supplied the Commission with details of their own productivity agreements, by means of which they say that they too have been able to reduce overtime without lowering productivity.<sup>5</sup>

3. Yet it can also be shown that during the very period when an increasing number of authorities were questioning the necessity and utility

<sup>1</sup> "Implications of the Shorter Working Week for Management", British Institute of Management Occasional Papers No. 8, London, 1962.

<sup>2</sup> "The Fawley Productivity Agreements", Faber and Faber, London, 1964, p. 226.

<sup>3</sup> Reports Nos. 1, 8 and 17, HMSO 1965 and 1966.

<sup>4</sup> Minutes of Evidence 22, Royal Commission on Trade Unions and Employers' Associations, HMSO 1966.

<sup>5</sup> See Research Paper 4, Royal Commission on Trade Unions and Employers' Associations, HMSO November 1966.

of overtime working in Britain, overtime was itself still rising. This was in part due to the large reduction in normal hours that occurred over the same period, but it does suggest that the case for reducing overtime has not yet gained general acceptance, and it may well be that many employers who would like to reduce overtime do not believe that it is a practical proposition. There is thus a case for examining the facts and arguments about overtime working in rather more detail than has so far been possible, to see if they can throw any light on what action might be taken to secure a reduction in overtime. It is the object of this research paper to provide such an examination and analysis.

#### *The Order of the Study*

4. The first question that has to be asked is what is the extent of overtime working in Britain, how has it grown,<sup>17</sup> and in what way can it be described as "systematic" rather than spasmodic and occasional. To gain some impression of the comparative position in Britain it is also necessary to look at the position in other countries. These topics are dealt with in Chapters Two and Three.

5. The second set of questions relate to the institutional framework which has permitted the growth of overtime, the influence that collective agreements have had upon it and the supposed functions which it is said to perform. These are the subject of Chapter Four.

6. The traditional beliefs and attitude of employers, workpeople and trade unions towards overtime are examined in the following chapter. It is clear that these have helped to encourage its growth, and that attempts to change the overtime pattern will be futile unless they are taken into account.

7. Moreover, the fact that it has become a commonplace that much overtime is unnecessary does not remove the need to examine the validity of the traditional body of conventional wisdom surrounding the topic. Many people in industry still argue that much overtime is technically necessary or that it is socially or economically desirable in a period when there are fluctuations in a generally tight labour market. It was therefore necessary to devote Chapter Six to an examination of the traditional case for overtime, and an analysis of actual overtime patterns, to see how far they are consistent with the conventional view of its functions.

8. The fact that overtime continues to grow in the face of a strong tide of opinion against it among consultants, advanced management and academics, may lead some to conclude that there is little to be done about it—in other words that it is in some sense "inevitable". This conclusion is tested against the facts in Chapter Seven, which includes an examination of the situation in the Netherlands, a country where little or no overtime is worked, and in a number of cases where attempts have been made to reduce its extent.

9. If overtime can be shown to be systematic, inefficient, but not inevitable, the next question which arises is what can be done to control it in Britain? In Chapter Eight an attempt is made to answer this question, by drawing on the evidence of previous chapters and various suggestions which have been advanced to this end. The chapter considers whether mere

exhortation would be sufficient, or whether changes in wage structures or overtime payments are required. It also considers the case for some form of legal regulation of working hours.

#### Published Sources

10. Two published sources were available to produce answers to the questions posed in the previous section:—First, statistics of hours of work and overtime in Britain and to a certain extent in other countries; second, articles, books and agreements, especially where they included empirical observations concerning attitudes and behaviour, or information about the institutions constraining that behaviour.

11. The main statistics on overtime and hours in Britain are found in the regular publications of the Ministry of Labour, i.e. their monthly Gazette and, since 1963, their quarterly "Statistics on Incomes, Prices, Employment and Production". The various series are discussed in detail in paragraphs 24 to 28 below. Comparable international statistics are extremely difficult to obtain but both the International Labour Office and the Organisation for Economic Co-operation and Development produce some data on hours of work and these have been used.

12. But many of the most important questions about overtime raised in the previous section require answers based on specific observation rather than general statistics. It is necessary to know what actually happened to output in particular cases when overtime was cut, or what were the effects of high tax rates on people's willingness to work extra hours. The concentration on empirical questions in the study limited the amount of theoretical literature which needed to be taken into account, but use has been made of all the published sources which bear on the more practical aspects of the subject. Thus the Webbs, in their discussion of the "normal day"<sup>6</sup> provide some useful historical material showing how the practice of paying enhanced overtime rates arose at the turn of the century. Similarly, a number of writers have been concerned with overtime when discussing wage drift questions, and D. J. Robertson has studied wage structures in two engineering works and a shipyard, treating overtime working as a separate but related issue.<sup>7</sup> Other empirically based studies have been carried out and published, including one among dockworkers in Manchester,<sup>8</sup> and a series by members of the Industrial Psychology Research Unit.<sup>9</sup> Individual habits and attitudes have also been examined by Zweig, in a book in which he reports a series of interviews carried out throughout the country.<sup>10</sup>

<sup>6</sup> S. & B. Webb, "Industrial Democracy", Longmans Green, 1911, London.

<sup>7</sup> D. J. Robertson, *Factory Wages Structures and National Agreements*, Cambridge University Press 1960.

<sup>8</sup> "The Dockworkers", University of Liverpool, Department of Social Science, University Press of Liverpool 1954.

<sup>9</sup> This series includes the following: (a) R. D. Shepherd and J. Walker "Absence from work in relation to wage level and family responsibility" *British Journal of Industrial Medicine* Vol. 15 pp. 52-61. (b) L. Buck and S. Shimmin "Overtime and Financial Responsibility" July 1959 *Occupational Psychology* Vol. 33 pp. 137-148. (c) L. Buck and S. Shimmin "Is Taxation a deterrent?" *Westminster Bank Review* August 1959. (d) S. Shimmin "Extra mural factors influencing behaviour at work" July 1962 *Occupational Psychology* Vol. 36 pp. 124-131. (e) S. Shimmin and G. de la Mare "Individual Differences in overtime working" 1964 *Occupational Psychology* Vol. 38 pp. 37-47.

<sup>10</sup> F. Zweig "The Worker in an Affluent Society" Heinemann London 1961.

13. Additional information on the attitudes of individuals and unionists was obtained from the Gallup Poll on Trade Unions, carried out in 1959,<sup>11</sup> and from an examination of union journals and reports of conferences. Copies of agreements which attempt to impose specific limits on overtime were also examined.

14. Use was also made of those books and articles which have discussed the empirical evidence e.g. Hugh Clegg's analysis of the implications of a shorter working week for management,<sup>12</sup> the work of Roberts and Hirsch,<sup>13</sup> and Brechling's study of the relationship between output and employment in British manufacturing industry.<sup>14</sup> The most important work in this respect, however, is the summary by an American, David G. Brown, of a large number of case studies carried out at various times in Britain and the United States to show the effects of changes in hours on output. The results of this study are described in detail below.<sup>15</sup>

#### *Unpublished Sources*

15. The main gaps in published sources relate to statistics or information concerning individual firms and managements. For this reason the author visited a number of factories in both the public and private sector, and contacted members of employers' associations and others. This enabled him to carry out a number of fairly detailed studies (see below) and to obtain figures for individual but unidentified firms who provided data for the Engineering Employers' Federation. A company with plants in both the food and chemical industries also provided some extremely useful figures. The situations studied in most detail were those which came to light where there had been a serious attempt to cut down overtime working in the recent past. At the time the most well known of these took place at the Esso oil refinery at Fawley. As has been mentioned Allan Flanders has written up this story in his well known book on the subject, and with his help the author of this study was able to examine the overtime aspects of the Fawley Productivity Agreements in more detail. To this end numerous visits were made to the Refinery and over a hundred employees were interviewed. It has frequently been maintained that the Fawley situation was not a typical one and that the successes achieved there could not be obtained elsewhere. It was then important to find other examples and more were eventually traced. One of these was in food processing where the technology involved was not far removed from that at Fawley. One, however, was in a transport undertaking where the problems of uncontrolled overtime occur in their most acute form. These examples all involved single plants and all were negotiated at the plant level. Discussions with the Post Office Engineering Union, however, revealed two major assaults on overtime throughout the country which were initiated and implemented as a result of centrally negotiated

<sup>11</sup> Gallup Poll on Trade Unions undertaken for the "News Chronicle" Social Surveys (Gallup Poll) Limited, London 1959.

<sup>12</sup> H. A. Clegg "Implications of the Shorter Working Week for Management" British Institute of Management Occasional Papers No. 8 London 1962.

<sup>13</sup> B. C. Roberts and Judith Hirsch in "Manpower Policies and Employment Trends" Ed. B. C. Roberts and J. H. Smith. London School of Economics and Political Science 1966.

<sup>14</sup> F. P. R. Brechling "The Relationship between Output and Employment" Review of Economic Studies. July 1965 p. 187.

<sup>15</sup> David G. Brown "Hours and Output" in "Hours of Work" by Clyde E. Dankert, Floyd C. Mann, Herbert R. Northrup (Editors), Harper and Row, New York 1965.

arrangements. This example was, however, drawn from the public sector and to the author's knowledge there had been no such centrally negotiated assaults on overtime in privately owned industries.

16. Studies in firms which have attempted to reduce overtime do not provide a good guide to the general attitudes of employers or workpeople towards overtime working. Thus the overtime situation was examined in a number of other firms. The two for which most detail was available were in printing and motor vehicle manufacture, firms in road passenger transport and construction were also examined.

17. One of Zweig's findings about attitudes towards overtime was that they varied with its actual incidence.<sup>16</sup> This highlighted the importance of examining attitudes and beliefs in a situation where overtime is rigorously controlled and limited for all workers. The Netherlands provided an example of such a situation and in the spring of 1963 the author visited two major companies in the Netherlands with plants throughout the country and also talked with a number of small employers and union officials as well as representatives of the leading labour market organisations.

18. Finally, in the two and a half years since the author ceased his fieldwork on this subject a number of firms have introduced schemes which have in part been designed to reduce overtime working. These schemes have not been examined in detail by the author but he has drawn upon the evidence to the Royal Commission on Trade Unions and Employers' Associations which shows the mechanics of the schemes introduced by the Electricity Council, the Mobil Oil Company and the British Oxygen Company.

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<sup>16</sup> See para. 131 below.

## CHAPTER TWO

### THE EXTENT OF OVERTIME WORKING IN BRITAIN

19. This Chapter discusses the rise in overtime working in Britain in recent years, as measured by official statistics and individual studies. Problems involved in the measurement of overtime are also discussed and attempts are made to calculate the extent of current overtime working.

20. A high level of overtime has been a persistent feature of British industrial life since 1946. In April 1966 average hours worked by adult males in Britain exceeded the "normal"<sup>17</sup> hours established in collective agreements by more than they did in July 1943. The gap between average actual hours and normal hours is a crude measure of overtime working but it is the best available on a national scale. On this basis the average amount of overtime worked by men in April 1966 was over six hours. At that time there was a very high pressure of demand for labour but in recent years even in periods of recession overtime has been of a similar order of magnitude to the highest levels recorded in the war. As Table 1 shows in spite of the successive reductions in normal hours totalling 6·9 hours a week actual hours worked in April 1966 were just over one hour less than in 1938.

21. Table 2 shows that women and young persons on average work far fewer hours than men. If it is assumed that normal hours for all categories of workers are the same (there are minor but insignificant variations) then it can be concluded that female employees on average never work more than their normal hours. Youths and boys generally worked slightly longer than their agreed hours as might be expected in view of the fact that most of them would be working alongside men for whom overtime was a regular practice. It is, in general, only men who work considerably longer than their normal week established in collective agreements. For most purposes this gap between a man's normal hours and the hours he actually works can be taken as a measure of his overtime.<sup>18</sup>

22. But the definition of overtime implied in this measure is different from that used by Professor Robertson in his study quoted above, which was "hours outside the span of the normal day's work or on days outside the normal working week".<sup>19</sup> Robertson justifies this definition partly on the grounds that the basic idea of "overtime" is simply that some hours of work are less suitable and cause the worker more inconvenience than others. Given that the main problem with which he was concerned was the effect of payments for overtime on the pay packets of various workers, the definition he used was clearly the most suitable. However, with many of the problems which are normally associated with overtime working, e.g. its effect on output, as a cause of fatigue and as a means of meeting supply

<sup>17</sup> "Normal" hours are here defined as hours beyond which overtime rates apply. They do not mean those usually worked.

<sup>18</sup> The problems created by using average figures for a number of individuals are discussed below. See para. 65.

<sup>19</sup> D. J. Robertson, *op. cit.* p. 139.

TABLE 1

AVERAGE WEEKLY HOURS WORKED COMPARED WITH NORMAL HOURS FOR MEN IN INDUSTRIES COVERED BY THE EARNINGS AND HOURS ENQUIRIES, 1938-66

Date	Average hours worked	Normal hours*	Average overtime per man
October 1938	47.7	47.2	0.5
July 1943	52.9	47.2	5.7
January 1944	52.0	47.2	4.8
July 1944	51.2	47.2	4.0
January 1945	49.4	47.2	2.2
July 1945	49.7	47.2	2.5
January 1946	47.4	n.a.	n.a.
October 1946	47.6	n.a.	n.a.
April 1947	46.3	45.3	1.0
October 1947	46.6	44.8	1.8
April 1948	46.5	44.6	1.9
October 1948	46.7	44.5	2.2
April 1949	46.6	44.4	2.2
October 1949	46.8	44.4	2.4
April 1950	47.0	44.4	2.6
October 1950	47.6	44.4	3.2
April 1951	47.9	44.4	3.5
October 1951	47.8	44.4	3.4
April 1952	47.3	44.4	2.9
October 1952	47.7	44.3	3.4
April 1953	47.8	44.3	3.5
October 1953	47.9	44.3	3.6
April 1954	48.3	44.3	4.0
October 1954	48.5	44.3	4.2
April 1955	48.9	44.3	4.6
October 1955	48.9	44.3	4.6
April 1956	48.6	44.3	4.3
October 1956	48.5	44.3	4.2
April 1957	48.4	44.3	4.1
October 1957	48.2	44.2	4.0
April 1958	48.0	44.2	3.8
October 1958	47.7	44.2	3.5
April 1959	48.0	44.2	3.8
October 1959	48.5	44.1	4.4
April 1960	48.0	43.3	4.7
October 1960	48.0	42.8	5.2
April 1961	47.9	42.5	5.4
October 1961	47.4	42.1	5.3
April 1962	47.3	42.1	5.2
October 1962	47.0	42.0	5.0
April 1963	46.9	42.0	4.9
October 1963	47.6	42.0	5.6
April 1964	47.8	41.9	5.9
October 1964	47.7	41.9	5.8
April 1965	47.5	41.2	6.3
October 1965	47.0	40.7	6.3
April 1966	46.4	40.3	6.1

\* These figures differ from those previously published by the author and others. The series now has three parts, (i) 1938-45 based on G. Penrice, "Earnings and Wage Rates since 1938"—Times Review of Industry (London and Cambridge Economic Bulletin) September 1962. (ii) April 1947 to April 1950 and (iii) October 1950 to date were provided by the Ministry of Labour Statistics Department. Only the figures in (iii) purport to apply directly to the same adult male workers covered in the Earnings enquiries.

TABLE 2

AVERAGE HOURS WORKED BY AGE AND SEX—APRIL, 1966

Category	Average hours worked
Men (21 and over)	46.4
Women full time (18 and over)	38.5
Youths and Boys (under 21)	42.6
Girls (under 18)	39.2

and demand fluctuations, it is *total* hours worked that is important—not their *distribution* throughout the day or week. Moreover, the greater inconvenience of overtime hours is related to their coming after a number of previously worked hours. Thus the definition of overtime used in this paper will usually be "*hours worked beyond the covenanted length of the standard working week*".

23. A further argument for using this definition is that above the level of the individual firm the only available statistics usually show the number of hours worked without giving any indication of the time of day or part of week in which they were worked.

#### A. MEASUREMENT OF OVERTIME : THE AVAILABLE STATISTICS

24. Since May 1963 detailed figures of earnings and hours by occupation have been collected and published by the Ministry of Labour and these will be drawn upon in later chapters. For earlier years there are only two series of statistics that can be used as a guide to the extent of overtime worked in Great Britain. These series have been published in the Ministry of Labour Gazette under the headings of "Short-Time and Overtime working in manufacturing industries" and "Earnings and Hours". The former series dates from July 1951, and during the first ten years the overtime figures were given quarterly. They now appear monthly and are "written up" to allow for the smaller firms which are not required to render returns. The "Earnings and Hours" series had its origins in 1924, although there had been previous inquiries in 1886 and 1906-8. From 1941 information has been collected at six monthly intervals, although the first few war-time inquiries were only concerned with earnings. Since 1943, then, there has been a regular six monthly<sup>20</sup> series showing average hours worked in all manufacturing industries as well as in some non-manufacturing industries. Taken in conjunction with figures for normal hours of work, which are by definition those hours beyond which overtime rates become payable, these statistics provide some guide to the extent of overtime working. Neither of these series gives a precise measure of overtime hours. Which of them is most useful?

25. There are several uses to which statistics on hours of work may be put. Series which may be relevant in one respect may be positively misleading in another. This is borne out in considering the "Short-Time and Overtime" series. This is designed explicitly for use as an economic indicator<sup>21</sup> showing fluctuations in the demand for labour before they are reflected in employment and unemployment figures and it has three important drawbacks as a measure of changes in the length and structure of the working week.

- (a) It covers all workers irrespective of age and sex. This means that it includes women and young persons who work very little overtime. On the basis of this series it would seem that no more than 33 per cent of operatives actually worked overtime in any one of the inquiry weeks between May 1961 and December 1963. The extent

<sup>20</sup> In 1946, when the inquiries were switched from January and July to April and October, there was a ten-months gap in the hours series.

<sup>21</sup> Ministry of Labour Gazette, July 1961, p. 295.

to which this gives a misleading impression of the amount of overtime worked by men can be estimated by comparing the Ministry of Labour's figures for sectors of the engineering industry with those for firms who are members of the Engineering Employers' Federation. Both sets of figures apply to June 1961.

The Employers' figures show that 72.3 per cent of time- and piece-work fitters and labourers did some overtime in the week in which 16th June occurred, but the Ministry's "Short-Time and Overtime" series on the other hand shows 43.1 per cent for Engineering and Electrical Goods and 41.9 per cent for Vehicles for the week ended 24th June. Part of the difference may be accounted for by the limited cover of semi-skilled workers in the Employers' Federation inquiries, but the main explanation is that the Ministry's figures include women and boys.

- (b) It covers only "Production Departments of Sections". Maintenance workers are specifically excluded and by implication so are cleaning departments, stores, despatch and transport. All these groups include some of the highest and most persistent overtime workers. Inquiries in one factory revealed that those who were excluded from the return on which the "Overtime and Short-Time" series is based worked three times as much overtime per man as did those who were included.
- (c) It covers only Manufacturing Industry (excluding Shipbuilding and Ship-repairing). The exclusion of non-manufacturing industries covered by the Earnings and Hours Enquiries lowered the average weekly hours worked by men from 47.0 to 46.2 in October 1962. A similar effect is noticeable in almost all of the post-war enquiries.<sup>22</sup>

In brief, the "Short-Time and Overtime" figures designed for use as an economic indicator giving an early warning of changes in labour demand may produce a misleading impression of the extent of overtime working because they exclude the groups who work a great deal of overtime, and include those who work little or none.

26. The other main alternative (average hours actually worked less standard hours) has several important drawbacks as a measure of overtime.

- (a) Anyone who does any work at all in the pay-week in question is included in the returns from which average hours actually worked are calculated, unless they are officially classified as part-time workers.<sup>23</sup> This reduces the figures of average hours worked, as it includes hours worked by those who for various reasons do not work a full pay-week. Such reasons would include not only sickness, etc., but also the commencement or termination of employment in the course of the pay-week in question. The extent to which this leads to an under-estimate of overtime can be gauged from the results of the inquiries into Occupational Earnings and Hours. This would

<sup>22</sup> An American commentator has said, "although average weekly hours in manufacturing industry may be a preferred indicator of prospective changes in business conditions, they cannot be regarded as representative of the work-week of the nation at large". G. Bry, *The Work-week as an Economic Indicator*, National Bureau of Economic Research (1959), Occasional Paper 69, p. 6.

<sup>23</sup> i.e. those whose full normal week is less than 30 hours.

suggest that the measure yields an overtime level of approximately 1·5 hours per man per week below that revealed by asking direct questions about the amount of overtime men worked.

- (b) The figures are collected for a single week at six-monthly intervals. The switch to April and October (made in 1946) eliminated the worst effects of sickness and holiday peaks but inter-industry comparisons based on these figures can be misleading. If the inquiry is made regularly near the peak of one industry's production cycle and near the trough of another's, a false impression of differences in their usual overtime levels will be obtained.
- (c) Some hours recorded as having been worked may not actually have been worked. In transport, for example, the recording of scheduled hours rather than actual driving hours may lead to an over-estimation of working-time.
- (d) The "standard hours" figure may be slightly misleading in two particular instances. First, where the figure is for an industry which under the Standard Industrial Classification includes several bargaining groups who may have negotiated different standard weeks. When considering figures of standard hours for manufacturing industry, or for manufacturing plus a few others, the limitations of aggregation must be borne in mind. Secondly, the standard hours for shift workers include meal breaks, which should be excluded from "hours actually worked" figures.

27. To sum up, both series lead to under-estimates of the level of overtime working. The extent of under-estimation in the "Short-Time and Overtime" series varies with the sex composition of the labour force. The average hours less standard hours series covers a longer time-period and a wider range of occupations; it also permits the identification of men's working hours as distinct from women's. Thus in spite of all the limitations mentioned above, it remains the most reliable measure available for the years before the introduction of the occupational earnings and hours enquiries.

28. The nationally available statistics give a broad picture of the situation as it has developed since the inter-war years and the development of the enquiries into occupational earnings and hours since 1963 has considerably improved them. The studies carried out in individual industries and workshops in the 1950's and early 1960's will be used to supplement the national figures in the following sections.

## B. THE EXTENT OF OVERTIME WORKING

### (i) *As revealed by national statistics*

29. Table 1 shows the movements in general levels of overtime working since 1938. During the war, as might be expected, some very high levels of overtime were worked and it is probable that the years for which figures are not available were ones in which hours worked were even higher than those in July 1943. Indeed in 1942 it was announced that permits allowing the retention of labour and deferment of military service would be issued only in those cases where industrial staff worked 52 hours or more a week.<sup>24</sup>

<sup>24</sup> Ministry of Labour Gazette, June 1942, p. 121.

In the immediate post-war period actual hours exceeded normal hours and the situation was very similar to that of October 1938.

30. The reduction of normal hours by between two and a half and three hours in 1946-47 was not matched by a similar reduction in actual hours worked. The period from 1947 to the middle of 1949 was one during which overtime ran at an average of a little over two hours per man per week. Then during 1949 and 1950 there was a fairly rapid rise to a post-war peak of 3½ hours in April 1951. In the ensuing trough, overtime did not fall back to the level from which the previous upswing had started. However, the fall to 2·9 hours left overtime at a low point which has not been achieved since. From April 1952 there was a steady rise to a level of about 4½ hours per man per week in 1955. The steady reduction following this gave a trough in October 1958 which at 3·5 hours was again higher than the preceding one, and indeed as high as the peak in 1951. The next upswing took overtime to 4·4 hours before both actual and normal hours began to fall. Thus, during a period of little change in normal hours of work there was a gradual upward creep in overtime working with each successive low point higher than the preceding one.

31. From the end of 1959 to date there has been no prolonged period of stability in normal hours to enable a judgment on the extent to which the pattern of the 1950's has been continued. Average hours worked have continued to fluctuate with the business cycle, but the fluctuations have been around a downward trend associated with changes in normal hours. However, the downward trend in hours actually worked has not been as fast as the trend in normal hours with the result that since 1959 there has been a more or less steady rise in overtime to the current level of around six hours.

32. The figures so far discussed have been national averages for men in all industries covered by the Earnings and Hours Enquiries, and, therefore, hide industrial and regional variations. In April 1966, when the bulk of industries had implemented the latest round of hours' reductions, all of the 129 industries covered in the Ministry of Labour enquiry showed average hours in excess of the normal week, in 52 the excess was more than five hours and in three it was above 12 hours. The bulk of industries, however, have figures indicating an overtime average of between four and seven hours per man per week. This, it should be noted, is an industry wide average using a measure which understates the extent of overtime.

33. An examination of the hours worked in particular industries since 1960 reveals that the 18 industries shown in Table 3 were systematically among those with the longest average hours. In each of them the average hours worked by men almost invariably exceeded forty-eight and a half. The fact that in 1960 these industries were among those in which most overtime was worked does not seem to have affected the amount by which reductions in normal hours have influenced hours actually worked since then. Over the period since 1954, when these same industries were also among those with highest levels of overtime, hours of work appear to have declined less in these industries than in the economy as a whole. In some, notably Road Haulage Contracting, the figures suggest that average hours worked have actually increased over the last twelve years.

TABLE 3  
Hours of Work and Other Features of the High Overtime Industries

	Average hours worked by men manual workers in April						Per cent. of all workers employed as shift workers 1964	Average hourly earnings as per cent. of national 1966
	1954*	1960	1961	1962	1963	1964		
Stone and slate quarrying	52.3	52.3	51.4	52.7	53.7	52.9	—	83
Chalk, clay, sand and gravel extraction	50.6	53.2	53.6	52.4	51.9	50.8	—	88
Grain milling	49.7	48.9	49.7	49.5	49.7	49.8	50.6	92
Biscuits	50.5	49.8	49.5	49.5	48.8	50.1	49.1	94
Milk products	50.6	52.2	52.1	50.3	49.5	49.1	48.5	23
Vegetable and animal fats, oils, soaps, etc.	—	49.2	48.9	49.4	48.8	47.9	49.9	11
Polettes, etc.	—	50.9	51.4	50.6	49.7	50.5	48.6	32
Insulated wires and cables	51.8	51.2	51.6	50.1	49.8	50.6	49.9	103
Woollens and worsted	49.8	50.5	49.2	47.8	48.6	49.0	49.7	21
Rope, twine and net	50.3	51.2	50.2	49.0	49.7	50.4	49.9	96
Textile finishing	50.0	49.5	48.5	48.6	50.1	49.1	48.9	105
Other textile industries	48.7	49.9	49.6	49.1	48.7	48.5	48.6	84
Cement	56.8	56.8	56.6	55.7	55.9	56.1	56.4	32
Abrasives and building materials	—	51.1	51.0	49.9	49.8	51.0	50.3	15
Shop and office fitting	50.7	53.7	52.1	49.7	48.5	51.5	49.9	97
Paper and board	51.8	51.0	50.7	50.2	49.9	51.0	50.3	103
Road passenger transport	49.8	50.3	49.3	48.9	48.7	49.6	50.3	100
Road haulage contracting	53.2	55.6	56.1	55.3	55.4	56.4	56.8	88
Great Britain (i) actual hours	48.3	48.0	47.9	47.3	46.9	47.8	46.4	82
(ii) normal hours	44.3	43.3	42.5	42.1	42.0	41.9	40.3	100

\* Owing to changes in industrial classification these figures for 1954 are not always exactly comparable with those for later years.

34. It is worth considering whether these industries in which very high overtime is persistently recorded have any distinguishing features. One feature is that the list contains a high proportion of industries in which raw materials are processed by machines rather than where parts are machined or assembled. In the case of paper and board, cement manufacture and the group of industries producing vegetable oils, polishes, soaps and some food products the industries could be described as involving more or less continuous processing. Added to this there is the group of industries, including transport undertakings and shop fitting, where the hours of work must in part be determined by customers' requirements. There are certain hours within which passengers use transport or firms and shops will accept goods, or during which shops and offices are closed for refitting.

35. Each of these features would lead one to expect these industries to have either long hours of work or extensive shift working. In fact as the table shows there is extensive shift working in a number of the industries though many of them are below the average for industry as a whole. In general one cannot say whether long hours are a substitute for shift working in these industries or an adjunct to it.

36. Apart from the technologies involved the high overtime industries have another extremely important common feature viz. the low level of earnings enjoyed by the men who work in them. The relationship between earnings and overtime is examined more fully in Chapter Six; here it is sufficient to note that industries in which persistently high levels of overtime has been worked in recent years have in general paid out earnings below (and in some cases far below) the national average.

37. Table 4 shows that with a normal week of 40·3 hours at least four hours of overtime a week was being worked in every region or country of the United Kingdom in April 1966. This was in a period of high demand for labour but a similar situation occurred in April 1963 when unemployment was at its highest level for the April month for any of the previous sixteen years. At that time Wales again had the lowest average hours but was still showing an overtime average of 3·3 hours per week.

TABLE 4  
REGIONAL DISTRIBUTION OF HOURS OF WORK  
APRIL 1966

Region	Average hours worked by men	Unemployment* per cent
London & South East	46·8	0·8
Eastern & Southern	46·7	0·9
South Western	46·2	1·5
West Midlands	45·8	0·6
East Midlands	45·8	0·8
Yorkshire & Humberside	46·9	0·9
North Western	46·6	1·2
Northern	46·1	2·2
Scotland	46·2	2·4
Wales	44·7	2·5
Northern Ireland	45·3	5·5†
United Kingdom	46·4	1·3

\* Wholly unemployed excluding school leavers, seasonally adjusted males and females.  
† Estimated.

38. The fact that overtime was lowest in Wales in both 1963 and 1966 reflects a regularity in the regional distribution of overtime that is clearly borne out by an examination of the relative levels of overtime in different regions on each of 10 recorded occasions over the period 1960 to 1966. The average hours worked in a region tended to be consistently high or consistently low at the time of each Ministry of Labour enquiry over that period. This regularity in the regional incidence of overtime does not result from a concentration of high or low overtime industries in particular regions. This is clear from the fact that a similar regional pattern of hours worked occurs within individual industries such as construction and the production of engineering and electrical goods.<sup>25</sup>

39. The nationally available figures indicate :—

- (i) An upward trend in overtime working through the 1950s when normal hours were changing very little.
- (ii) An average of at least three hours' overtime per man per week almost continuously after October 1950. This average rose in boom times to about 4½ hours and with subsequent reductions in normal hours it has risen to around six hours.
- (iii) The existence of overtime in virtually every industry with well over a third of them having an average in excess of five hours per week.
- (iv) Those industries with the highest levels of overtime include a high proportion of continuous processing industries and some where hours of work are dictated by customers' requirements. They also tend to be industries with below average hourly earnings.
- (v) The existence of overtime in every region of the country with a fairly persistent inter-regional pattern.

(ii) *As revealed in other published work*

40. It was shown above that in order to understand and evaluate the patterns of overtime it is necessary to examine information relating to individual firms. Some data on firms is available in the published sources and the author's case studies produced some more. Before this information can be used in detailed discussions it is necessary to see first how far the cases studied are typical of the situation reflected in the national statistics and secondly how far they reveal important features hidden by the national figures. This section examines the published sources in this context and the following section takes up the unpublished sources.

41. The study of the earnings and hours of dock workers in Manchester<sup>26</sup> included a survey of the average hours worked by 250 men throughout the tax year 1950-51. Eleven per cent averaged less than the full normal week of 44 hours, 34 per cent up to 4 hours in excess of it, 46 per cent between 4 and 8 hours and 9 per cent more than 8 hours above it.<sup>27</sup>

<sup>25</sup> In statistical terms the Kendall coefficients of correlation between the rankings of the overtime levels in the various countries and regions of the United Kingdom in each of 10 enquiries 1960-66 are easily significant at the one per cent. level both for the total of industries covered and for individual industry groups.

<sup>26</sup> "The Dockworker". University of Liverpool, Department of Social Science. University Press of Liverpool 1954.

<sup>27</sup> *Op. cit.* p. 167.

42. As the agreement covering the dock workers allowed some hours to be classed as "overtime" even though full normal hours had not been completed, the figures for hours worked at premia rates indicate much higher levels of overtime. These figures showed that nearly three-quarters of those interviewed averaged more than six hours per week at overtime rates. The substitution of premium rated hours for normal hours is not usually revealed, or possible to this extent, but it can, of course, have important effects on earnings. This will be touched on elsewhere. Here it has to be stressed that in the Manchester docks as early as 1950, overtime, however defined, was running at an average of at least five hours per man per week over the whole year.

43. One of the Industrial Psychology Research Unit's case studies on the factors affecting overtime working provides a remarkable picture. It covered 350 men employed as overseas telegraph operators who had almost unlimited opportunities for overtime in the financial year 1959-60.<sup>28</sup> During that year these men each worked an average 16·2 hours of overtime a week. The range in individuals' weekly averages was from 0·4 hours a week to 35·8. The case of the one man who was working nearly 36 hours of overtime a week throughout the year is not quoted as a typical example but as an indication of the extent to which systematic overtime has been worked in a particular instance.<sup>29</sup>

44. Professor Robertson's study of two engineering works and a shipyard provides further useful information on levels and patterns of overtime working.<sup>30</sup> In Engineering Firm 1 a study in one week in March 1953 covered 382 workers and revealed average hours of work for all grades of 52·5 per week and an average overtime level of 9·1 hours. His figures indicated that 10 per cent of those covered worked fifteen or more hours of overtime and about 70 per cent worked five or more.

45. In the second engineering firm examined there were 7,000 workers, and the figures indicate the overtime levels in one week in September 1953. These show a slightly lower level of overtime but still the average is in excess of five hours per man per week. The five categories of skill identified had average hours as follows:—

Skilled 50·8; Normally Employed 49·4; Dilutee 48·8; Semi-Skilled 50·5; Unskilled 54·3.

At the time the engineering industry agreement specified normal hours as 44.

46. The shipyard in the study was situated on Clydeside, and at the time of the enquiry, in February 1955, had a total labour force of just over two and a half thousand. He quotes average hours and overtime hours for 17 occupational groups. In spite of the fact that riveters were on short-time and sheet-iron workers averaged less than two hours per man, the average of overtime of all the groups was 9·5 hours per man. There was a similar

<sup>28</sup> Sylvia Shimmin and Gwyneth de la Mare, *op. cit.*

<sup>29</sup> The levels revealed in this study perhaps explain the request to the Post Office to extend its overtime ready reckoner to facilitate calculations covering overtime in excess of 18 hours a week. "The Post", 28th January 1956, p. 62.

<sup>30</sup> D. J. Robertson, *op. cit.*

wide range in the average total hours worked by the individual groups. The average hours worked by all those covered was 50·6 a week. Thus even using actual hours minus normal hours as a measure of overtime six hours of overtime would seem quite general among the shipyard workers studied.

(iii) *As revealed in unpublished sources*

47. Before the Ministry of Labour's occupational earnings and hours enquiries, the most extensive and detailed data on most aspects of earnings and hours was that collected by the Engineering Employers' Federation. This data was collected from member firms in the preparation of answers to union claims for wage increases or hours' reductions. It covered two broad groups—fitters and labourers—and was usually collected in the summer. Both of these are factors which would suggest a tendency to overstate levels of overtime working but they are to some extent offset by the fact that the figures exclude maintenance workers.

48. Table 5 illustrates that time and piece working fitters and labourers as a group averaged more than five hours of overtime a week at the time of every enquiry between 1954 and 1961. The percentage actually working overtime varied between sixty and seventy-two with time workers always showing a higher percentage than others.<sup>31</sup> The average overtime worked by those 60 to 70 per cent was equivalent to one full weekend shift or two hours on two nights of the week plus a Saturday morning.

TABLE 5  
ENGINEERING INDUSTRY—OVERTIME WORKING BY FITTERS AND LABOURERS, 1954-61

Date	Percentage of employees who actually worked overtime			Average number of overtime hours worked	
	Time Workers	Payment by results workers	All	Spread Overall	Spread over those working overtime
May 1954	74	63	69	6·8	9·8
June 1956	72	62	68	6·5	9·6
June 1957	71	60	66	6·1	9·2
June 1958	66	55	61	5·4	8·7
June 1959	66	51	60	5·1	8·6
June 1960	75	64	70	6·6	9·4
June 1961	77	67	72	6·9	9·5

49. The published statistics on earnings and hours of work suggest that the motor vehicle industry is one with low levels of overtime working. A study of one large plant in this field supports this but illustrates that the global figure can hide considerable variations between departments. As Table 6 shows, the low overall average is mainly due to the negligible amounts of overtime performed by assembly-line shift workers. The figures in the table also indicate large variations at different times of the year. The months were selected for study on the basis of low, medium and high production figures.

<sup>31</sup> The Ministry of Labour's figures for Engineering do not show the percentages working overtime but they do show overall levels and patterns since 1961 to be similar to those in the EEF data.

TABLE 6  
OVERTIME IN A MOTOR VEHICLE MANUFACTURING PLANT IN 1961

	Average weekly overtime hours as a percentage of normal hours		
	January	June	December
Assembly	0·25	3·14	2·69
Inspection	0·13	3·72	6·70
Progress	0·42	4·55	5·64
Rectification	0·88	10·19	20·88
Cleansing	4·90	19·98	23·04
Maintenance	9·91	17·91	20·28
Total	0·9	5·9	8·4
Total as overtime hours per man	0·4 hours	2·5 hours	3·5 hours

50. As the national statistics would suggest overtime is not confined to the engineering industry. Investigations in a number of food processing and chemical plants showed that in 1958, before the second round of reductions in normal hours after the war, 61 per cent of male process operatives and 78 per cent of craftsmen regularly worked more than five hours of overtime per week. Table 7 shows the overtime situation in certain food processing and chemical plants over the period 1956-66 and indicates that 1958 was not a year in which these companies worked more overtime than usual.

TABLE 7  
OVERTIME IN CERTAIN FOOD PROCESSING AND CHEMICAL PLANTS—  
HOURS PER WEEK (MEN)

Date	Average hours worked in the companies	Excess of average hours worked over normal hours in company						
		Plant 1	Plant 2	Plant 3	Plant 4	Plant 5	Plant 6	Plant 7
April 1956	50·5	7·6	4·5	5·2	—	6·8	7·2	8·8
April 1957	50·2	7·8	5·6	5·9	—	5·7	6·9	8·4
April 1958	50·3	7·3	8·1	5·6	—	5·7	6·8	8·8
April 1959	50·1	7·5	7·3	5·9	—	4·8	6·6	9·3
April 1960	50·0	7·1	10·7	6·6	—	5·2	7·2	7·8
April 1961	48·4	8·5	10·5	5·1	11·1	5·9	6·7	5·7
April 1962	49·7	9·8	7·2	4·3	8·8	8·0	9·0	6·7
April 1963	48·5	8·6	6·5	7·6	8·9	5·7	7·3	7·8
April 1964	48·5	9·3	6·7	7·0	8·1	5·1	7·7	7·3
April 1965	48·7	10·9	8·6	7·2	9·8	7·1	8·2	7·7
April 1966	49·0	10·7	9·4	7·6	8·7	7·8	9·2	9·0

51. These observations all refer to April but an investigation in Plant 3 showed that while the figure for the Company as a whole hid sharp differences between two plants and between departments within them, they were a fair reflection of the situation over the whole year.

52. All of the cases so far mentioned have referred to industries covered by the Ministry of Labour's earnings and hours enquiries. The situation seems little different in the Post Office and railways however. The Post Office Engineering Department has a regularly functioning administrative body for observing and controlling levels and variations in overtime working.<sup>32</sup> This partly explains the relatively low average level of overtime. Nevertheless, figures provided by the Post Office show that, ignoring the two quite sharp reductions achieved in 1958 and 1961 which are discussed in Chapter Seven, the mean level of overtime throughout the year was consistently at or above four hours per man per week in the 1950s and early 1960s, even before the latest round in the reduction of standard hours. In the London Postal Region overtime was almost invariably in excess of the highest average for other regions and for long periods it was over six hours. At the other extreme no region ever averaged below one hour a week and almost invariably the lowest figure for any region was above two hours and occasionally as many as four.

53. Very few statistics are available to show how the amount of overtime worked varies between individuals but the Railway Pay Joint Advisory Committee submitted a memorandum on earnings and hours of work at the request of the Railway Pay Committee of Enquiry which gave some details. Their figures covered 164,000 men in 17 grades in the week ending 22nd March 1958, and showed that nearly 50 per cent of all employees averaged more than six hours in excess of their normal week, nearly 40 per cent between one and six hours and the remainder less than one hour.

### C. SUMMARY

54. Detailed figures revealed by the case studies will be used in subsequent chapters. Here it is sufficient to note that they confirm the impression given by the national statistics that average overtime in excess of five hours per man per week was perfectly normal throughout the 1950s and early 1960s. Since then the national statistics show that it has increased further. The case studies confirm that the difference between average hours and standard hours understates the extent of overtime working, and that this is partly because some workers are able to substitute overtime hours for normal hours. They show also that while there are few, if any, situations in which overtime is not found there are variations in its concentration between and within plants. The result is that 60 per cent or more of male manual workers work for more than 10 hours a day for three or four days a week, or know little or nothing of the five day week.

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<sup>32</sup> Described in Chapter Seven, para. 211.

## CHAPTER THREE

### SOME CHARACTERISTICS OF OVERTIME WORKING

55. This Chapter examines overtime patterns and considers the extent to which those who work overtime are dependent upon it for the maintenance of earnings. It compares the current position with the past, and with the situation that exists in other countries.

#### A. REGULARITY OF PATTERNS OF WORKING

56. The averages shown in the previous chapter indicate consistently high national, regional and industrial levels of overtime. Overtime in Britain is, however, systematic in a more fundamental sense than is revealed by those figures. An examination of patterns of overtime working in greater detail suggests that it is the same industries, firms and individuals who work high overtime. The regularity in the regional pattern of overtime was discussed above. The international group reported that its craftsmen and process workers *regularly* worked more than five hours overtime a week in 1958. Buck and Shimmin<sup>33</sup> in one case study noted that while "the absolute amount of overtime varied from period to period, the relative amount done by each man remained much the same." In the "Dockworker" it is said of permanent gang men, "some undertake a large amount of overtime work, others none, and their practice appears to be consistent from week to week throughout the year".<sup>34</sup> Professor Robertson is more cautious—"consistency is most usual but not all conform".

57. In the motor vehicle plant referred to in Chapter Two, the group of workers employed on keeping assembly lines provided with vehicle bodies and parts had few opportunities for overtime. They were, however, able to transfer to weekend cleaning duties for which the overtime rate was marginally higher than the average rate in normal hours on their regular work. Usually about 20 to 25 men were required for the cleaning duties and over a period of nearly a year 160 of the 600 men on this work took up the weekend overtime. Sixty-eight of the 160 were employed throughout the year and of these 40 per cent worked on practically every available opportunity. Once someone started doing the weekend work, they did so systematically. Of the 90 who worked more than four weekends, 81 worked on more than half of the possible weekends between the first time they did so and the last.

58. A similar regularity in the industrial pattern of overtime is revealed by the Earnings and Hours Enquiries. Over the period during which these enquiries were analysed on the basis of the 1948 Standard Industrial Classification the hours worked in each of 132 industries were recorded on 23 occasions. In 45 per cent of the industries, the figure recorded was either

<sup>33</sup> "Overtime and Financial Responsibility", Leslie Buck and Sylvia Shimmin. *Occupational Psychology*. Vol. 33 No. 3 July 1959 p. 137.

<sup>34</sup> *Op. cit.*, p. 168.

consistently above or consistently below the average for all industries, and a further 23 per cent had no more than four observations destroying the consistency. Of the remaining 32 per cent, half had prolonged periods of relatively high or relatively low hours. The 132 industries are breakdowns of the 19 SIC order groups. Over the period 1948-59 the hours' observations for the order groups have a Kendal rank correlation of 0.97 which is easily significant at the 1 per cent level.

59. A brief analysis of returns made to the Engineering Employers' Federation suggests a similar regularity in overtime patterns between firms. Over the five year period 1958-62 returns from 144 firms in five district associations showed that 66 per cent of the firms had either consistently high or consistently low relative levels of overtime.

60. This evidence suggests that overtime is worked by the same men in the same firms in the same industries over considerable periods of time. Buck and Shimmin said of individuals' working patterns that "overtime was not undertaken spasmodically but regularly and consistently as if long term rather than immediate needs determined the patterns of overtime behaviour".<sup>35</sup> On the above evidence the same could be said of the whole structure of overtime working in Britain.

## B. THE DISPROPORTIONATE EFFECT ON EARNINGS

61. Merely looking at the excess of average hours worked over normal hours does not give a true reflection of the effect of overtime on earnings. Overtime hours are almost invariably paid at higher rates than normal hours, the addition to normal rates being referred to as the overtime premium. Thus earnings accruing from overtime will vary with the number and distribution of hours to which the premium is applied. The Webbs give some examples of premium rates operating as early as the 1830s<sup>36</sup> but even by the turn of the century when they were writing it was by no means universal for trade unions to insist on limiting the length of the standard day or week. Hence the question of premium rates for overtime did not always arise.

62. To-day there are very few industries in which manual workers perform overtime without pay or at the same rate as for normal hours.<sup>37</sup> The Ministry of Labour's Industrial Relations Handbook attempts to summarise the situation along the following lines. The arrangements made in collective agreements to cover overtime payments usually involve a rate expressed as a

<sup>35</sup> *Op. cit.* p. 140.

<sup>36</sup> S. and B. Webb, *Industrial Democracy*, Longmans, Green and Co. 1911 (Two Volumes bound in one) p. 340.

<sup>37</sup> With salaried or staff workers, the situation is very different. Several years ago a British Institute of Management survey of overtime allowances for staff obtained information from 45 companies in a wide range of industries. In only one company was there no payment, but in 23 those salaried employees who were paid for overtime received a flat rate with no premium bonus. Of the remainder, 11 paid an enhanced rate to some employees, four preferred to give time off and the rest compensated overtime with an adjustment to period bonuses or with "out of pocket expenses". The above details do not apply to all salaried employees in the companies concerned. Seldom for example did any provide extra payment for sales staff yet most had some arrangement for clerical workers. The fact that staff status workers are only infrequently paid enhanced rates for overtime working has, in the context of post-war levels of overtime presented difficulties where attempts have been made to promote certain groups of manual workers to staff grades. In two of the three examples of such a situation in the cases studied overtime rates continued to be paid.

fractional addition to the ordinary rate, e.g. time and a quarter. The rate frequently progresses according to the duration of hours worked and overtime on weekend or rest days is usually subject to greater additions than on other days. These principles are by no means universal and it is impossible to generalise on the extent of the addition or its progression through time. The commonest rate is time and a quarter for the first two hours in any one day and time and a half thereafter. However, the Engineering Agreement lays down a rate of time and a third rising to time and a half after two hours and under the Midlands Metallic Bedstead Manufacturing Industry agreement the first three hours of overtime in a week are paid at flat rate, and any on top of that at time and a quarter.

63. There are also difficulties in determining the "ordinary rate" to which additions are made. For example cost of living bonuses and other supplementary payments are sometimes included and sometimes not. All this means that it is extremely difficult to convert a figure for actual hours worked, or of actual overtime, into one showing the extent of earnings in those hours.

64. The figures collected by the Ministry of Labour in their Occupational Earnings and Hours Enquiries since 1963 can be used to illustrate the effect of overtime on the earnings of the average worker in each of the occupational and industrial groups covered.

65. The figures in Table 8 indicate that in the engineering industries covered by the survey in January 1966 all groups of workers increased their normal week's earnings by at least 18 per cent, and in the case of time-working labourers by over 31 per cent. In chemical manufacture, in iron and steel and in construction, the range was much the same but in shipbuilding it was from 31 to 49 per cent. As has been noted above, not everyone works overtime and those who do work it consistently, so that the dependence of some people on overtime earnings will be far greater than is suggested by these figures.

TABLE 8

## HOURS WORKED, OVERTIME AND OVERTIME EARNINGS BY OCCUPATION—JANUARY 1966

Industry and Category of Worker	Average Hours Worked	Average Overtime Hours	Percentage increase in Normal Earnings resulting from Overtime	Percentage increase in Hours resulting from Overtime
				Overtime
<i>Engineering</i>				
Time Workers:				
Skilled	... ... ... ... ...	... ... ... ... ...	46.0 46.4 46.7 44.1 43.7	7.1 7.6 8.3 5.4 5.2
Semi-skilled	... ... ... ... ...	... ... ... ... ...	46.3 46.3 46.3 46.3 46.3	8.0 8.0 8.0 8.0 8.0
Labourers	... ... ... ... ...	... ... ... ... ...		
Payment by results:				
Skilled	... ... ... ... ...	... ... ... ... ...	44.1 43.7 43.7 43.7 43.7	5.4 5.2 5.2 5.2 5.2
Semi-skilled	... ... ... ... ...	... ... ... ... ...	46.3 46.3 46.3 46.3 46.3	8.0 8.0 8.0 8.0 8.0
Labourers	... ... ... ... ...	... ... ... ... ...		
<i>Shipbuilding and Repairing</i>				
Time Workers:				
Skilled	... ... ... ... ...	... ... ... ... ...	49.6 48.2 49.0 45.1 46.4	10.8 10.5 10.8 7.8 9.8
Semi-skilled	... ... ... ... ...	... ... ... ... ...	48.6 48.2 49.0 46.1 46.4	11.6 11.6 11.6 11.6 11.6
Labourers	... ... ... ... ...	... ... ... ... ...		
Payment by results:				
Skilled	... ... ... ... ...	... ... ... ... ...	45.1 44.4 46.4 48.6	7.8 9.8 11.7 11.6
Semi-skilled	... ... ... ... ...	... ... ... ... ...		
Labourers	... ... ... ... ...	... ... ... ... ...		
<i>Chemical Manufacture</i>				
Time Workers:				
General workers	... ... ... ... ...	... ... ... ... ...	47.6 47.3 44.1 45.4	8.4 8.3 5.1 6.6
Craftsmen	... ... ... ... ...	... ... ... ... ...		
Payment by results:				
General Workers	... ... ... ... ...	... ... ... ... ...	44.1 45.4	16.3 17.0
Craftsmen	... ... ... ... ...	... ... ... ... ...		

*Iron and Steel Manufacture*

Time Workers:

Process	...	...	45.4	6.5	23.7	16.7
Maintenance (skilled)	...	...	45.8	7.8	31.1	20.5
Maintenance (semi-skilled)	...	...	46.3	8.5	33.8	22.5
Service workers	...	...	45.7	6.4	24.3	16.3
Labourers	...	...	45.0	6.9	27.4	18.1
Payment by results:						
Process	...	...	43.5	4.2	14.5	10.7
Maintenance (skilled)	...	...	43.8	5.1	19.2	13.2
Maintenance (semi-skilled)	...	...	43.7	4.8	18.7	12.3
Service workers	...	...	45.0	5.5	20.1	13.9
Labourers	...	...	45.2	6.5	25.4	16.8

*Construction*

Skilled and qualified	...	45.7	4.8	17.0	11.7
" Plus rated " men, mates, etc.	...	49.4	9.0	33.3	22.3
Labourers	...	45.3	5.2	19.2	13.0
Lorry drivers	...	50.1	7.3	25.9	17.1

### C. THE PECULIARITY OF THE SITUATION TO POST-WAR BRITAIN

66. The persistence of high levels of regularly worked overtime making many firms and individuals dependent on it is something which has developed in Britain only since the second world war. Moreover, it has developed to a greater extent than in most other countries. The statistics for historical and international comparisons are often not strictly comparable but they are sufficiently so to support the contentions made.

67. At the turn of the century the Webbs noted that ". . . employers have, in many trades, adopted the practice of systematically working their men for one or two hours a day overtime, for months at a stretch and, in some cases, all the year round".<sup>38</sup> Various other writers at this time including the Factory Inspectors were concerned about the persistence of overtime working.<sup>39</sup> However, the 1906 Board of Trade Enquiry into the Earnings and Hours of Labour<sup>40</sup> show that overtime was not as extensive as earlier opinions would suggest. The enquiry covered a large number of occupations and industries. Unfortunately, the data on hours refers to workers doing a "full week", i.e. it excludes overtime and short-time workers. The figures do enable a calculation of the proportion of workers in a given industry who worked either overtime or short-time. A comparison with this short-time and overtime series shows that for most of the industry groups covered, the percentage of males and females who worked *overtime* in recent years exceeded the percentage of men who worked either overtime or short-time in 1906.

68. From 1924 the Ministry of Labour published figures for both actual and normal hours worked. Until 1938, however, no distinction was made between men's hours and women's hours. Thus, in 1938, as Table 9 shows, actual hours were 1·7 shorter than nominal (or normal), yet Ainsworth who had access to the detailed returns reports that 40 per cent of male workers covered were working more than 48 hours.<sup>41</sup> Again the picture is distorted by the aggregation of the figures for men and women. As there has been a sharp increase in the proportion of women in the labour force compared with the inter-war years, one might expect this to lower the levels of overtime in post-war years. However, as shown in Table 9 overtime has increased.<sup>42</sup>

69. In 1924 in only one industry group did men and women on average work more than the normal week. In 1935 this was the case in six industries but overall they only worked 0·1 hours longer than normal hours. In 1938 there was less overtime and in 1946 there was no group in which the full normal week was worked. By 1950, however, the excess of actual over nominal hours was evident in six groups with an overall average of 0·5 hours, and by 1956 whilst hours worked exceeded normal in the same six groups

<sup>38</sup> Industrial Democracy, p. 345.

<sup>39</sup> Industrial Democracy p. 346 and 349-51. Also J. B. Jeffreys "Story of the Engineers 1800-1945", Lawrence & Wishart 1945 p. 138.

<sup>40</sup> Published as a series of command papers. Cd. 4545 and 4844 of 1909; 5806, 5196 and 5460 of 1910; 5814 of 1911; 6053 of 1912; 6556 of 1913.

<sup>41</sup> R. B. Ainsworth, "Earnings and Working hours of male wage earners in the United Kingdom in October 1938", Journal of the Royal Statistical Society, Vol. 112, Part 1, 1949 (New Series A) p. 38.

<sup>42</sup> There are a number of discontinuities in the series used to build up Table 9. Changes of Industrial Classification have occurred at various dates—the latest ones being 1948 and 1959. Broad comparisons from the table remain valid.

TABLE 9

Industry	1906			1924			1935			1938			1946			1950			1956		
	Nominal	Actual	Nominal	Actual	Nominal	Actual	Nominal	Actual	Nominal												
Glass Bricks, Pottery and Chemicals ...	53.7	n.a.	47.3	46.3	47.2	48.0	n.a.	46.8	48.0	46.7	44.0	46.4	44.0	47.4	47.4	41.2	41.2	46.1	46.1	44.6	44.6
Iron and Steel Engineering ...	53.2	n.a.	46.7	46.1	46.8	48.2	n.a.	47.1	47.0	46.9	44.0	46.4	44.0	47.7	47.7	47.6	47.6	40.2	40.2	44.8	43.9
Textiles ...	55.3	n.a.	47.8	45.0	47.8	47.7	n.a.	45.8	48.0	45.6	45.0	44.5	45.0	44.3	44.3	41.5	41.5	42.4	42.4		
Clothing ...	52.4	n.a.	46.7	43.9	47.0	45.4	n.a.	42.4	48.0	42.0	44.0	41.7	44.0	41.5	41.5	40.3	40.3	39.1	39.1		
Food, Drink and Tobacco ...	54.1	n.a.	47.5	46.2	47.7	48.5	n.a.	47.8	47.7	46.6	45.0	46.3	45.0	46.5	46.5	40.1	40.1	44.5	44.5		
Paper and Printing	52.5	n.a.	47.2	46.7	47.3	48.6	n.a.	45.4	45.0	44.9	44.0	45.1	44.0	45.5	45.5	39.9	39.9	44.1	44.1		
Building ...	50.56	n.a.	45.4	44.7	46.8	46.9	n.a.	46.3	46.0	45.3	45.0	47.3	45.0	49.8	49.8	39.5	39.5	47.3	47.3		
Gas, Water, etc. ...	54.7	n.a.	47.3	48.7	47.3	48.0	n.a.	48.0	47.3	46.6	44.0	47.2	44.0	47.9	47.9	40.0	40.0	43.4	43.4		
All Manufacturing	53.8	n.a.	47.7	45.8	47.8	47.9	n.a.	46.3	48.0	46.4	45.0	45.5	45.0	46.0	46.0	40.3	40.3	43.6	43.6		

Source: 1906-1956 Based on B. McCormick, "Hours of Work in British Industry". Industrial and Labour Relations Review. Vol. 12, 1959, pp. 423-33.

the overall gap had risen to 1·0 hours. By 1966 average hours exceeded normal in all but the clothing industry with its high proportion of women. Thus in spite of their drawbacks the published figures support the contention that overtime working has been more extensive since 1950 than in any preceding period.<sup>43</sup>

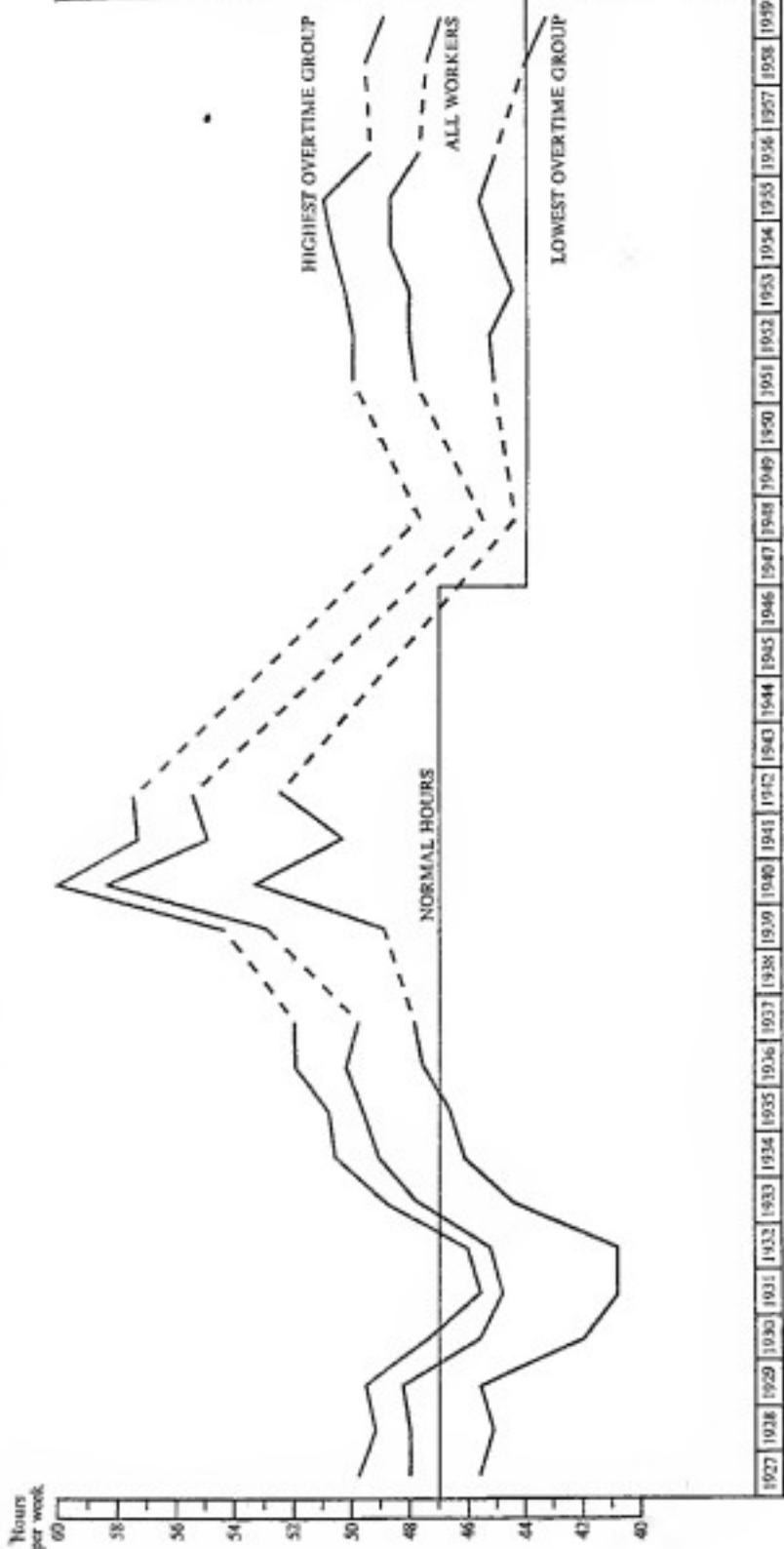
70. The Engineering Employers' Federation data for males covering the period 1927 to 1959 confirms this picture as far as peacetime is concerned. Diagram A shows the hours worked of all classes of employees and of the occupations with the highest and lowest averages. This shows that in the early 1950s actual hours of all classes covered were about the same as in the 1920s, about one hour more than in the years of the great depression and just over one hour less than in the later years of the 1930s. Yet in the 1950s normal hours were three hours less than in the earlier periods. Thus whereas in the 1930s those in the occupation with the lowest average hours seldom worked a full normal week since the war they have consistently exceeded it. From all points of view overtime working in the 1950s, has been more extensive than it was even in the most prosperous of pre-war days, and the national statistics would suggest that this conclusion would be even more true of the 1960s.

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<sup>43</sup> There is a further point of interest which emerges from Table 9 and from the information on which it is based. In 1906 there was a wider range in normal hours than has been the case since. (The figures for 1946 and to a lesser extent for 1966 should be ignored in this context because these were periods of large changes in normal hours). There was still some variation in 1924 but considerably less in 1956. An extreme example of this range in 1906 is to be found in tinplate manufacture where 41 per cent. of all employees had a nominal week of less than 42 hours, 14 per cent. of 42 to 53 hours and 45 per cent. of 54 hours and over. The disappearance of this range must be attributed to both the widening of bargaining areas and the expansion of the tendency to include clauses relating to normal hours of work in collective agreements.

DIAGRAM A

Average Hours of Work 1927-59 Engineering (Men)



71. Given all the limitations of the statistics for Britain it is not surprising that internationally comparable figures are not available. Table 10 is an attempt to give a rough summary of working hours in manufacturing industry in 1965. There is virtually no information available on normal hours of work, which are settled in a variety of ways in different countries. In some countries normal hours are laid down in legislation, in others it is only maximum normal hours that are subject to legislation whilst collective agreements have established lower levels, and in yet others the situation is as in the United Kingdom where in general normal hours are determined entirely by collective agreement. The normal hours on which the estimates in column (ii) of Table 10 are based represent an attempt to work out the level of normal hours (as defined in paragraph 20) which actually operates, but this has not been possible in all cases. Moreover in considering the comparisons it should be borne in mind that the inclusion of women in figures for actual hours affects countries in different ways e.g. the U.K. has a relatively high proportion of women in the labour force and this will tend to give rise to a lower figure for hours worked compared with other countries.

72. In most cases the qualifications to the figures make generalisation impossible. It is clear though that overtime is more prevalent in France than in Britain.

TABLE 10  
AVERAGE HOURS WORKED IN SELECTED COUNTRIES (ALL WORKERS) 1965

	(i)	(ii)
	Average hours worked per week	Estimated excess over normal hours
Canada ...	41.0	1.0
United States ...	41.2	more than 1.2
Belgium ...	40.8	n.a.
France ...	45.6	5.6
Germany (West) ...	44.1	between 1 and 3
Netherlands ...	46.1	1.1
Switzerland ...	45.8	n.a.
United Kingdom*	44.2	3.5

\* A weighted average of adult men and women.

Source: Col. (i). Year Book of Labour Statistics 1966. International Labour Office, Geneva.

73. Of the other countries, which represent the main industrial countries of the western world for which the relevant data is available, it is unlikely that overtime is worked in any one of them on a scale similar to that in Britain. In general those countries where longer hours are actually worked also have longer standard weeks. Only in France of the countries considered is overtime working experienced to anything like the same extent as in Britain.

#### D. SUMMARY

74. Examination of the pattern of overtime shows that it is systematic and regular. In general the same industries, firms and individuals work high overtime. Those who work it consistently are dependent upon its maintenance for a significant proportion of their earnings. Yet overtime working of the kind experienced in Britain in recent years is unusual, both in relation to earlier periods and in comparison with other countries.

## CHAPTER FOUR

### THE REGULATION OF OVERTIME AND ITS SUPPOSED FUNCTIONS

75. This Chapter considers the regulation and limitation of overtime, and its effectiveness. The role of national agreements and existing legal requirements are also discussed and analysed. It is found that effective regulation and control is supposed to be operated at local level, and the traditional reasons for adopting this system are considered and evaluated. It is decided that the current overtime pattern cannot be explained by reference to such traditional reasons or objectives.

#### A. THE REGULATION OF OVERTIME

76. How has this situation of a high level of systematic overtime become established in Britain since the war? It could clearly not have happened if there had been a strong system of control of total working hours imposed by legislation or by the parties to collective agreements. Nor could it have occurred unless either or both management or workers saw some justification for overtime working. This Chapter will examine the nature and weakness of the few attempts which have been made to impose limits on working hours and will discuss the managerial justifications for overtime implied by the agreements containing the attempted limitations.

77. As a general rule the length of time an adult male works in Britain is determined at the workplace. Collective agreements or statutory orders under minimum wage legislation establish the length of the normal working week or working day and stipulate the rates at which hours in excess of these shall be paid. They do not, usually, try to establish a limit to the number of excess hours which may be worked. The Ministry of Labour's Industrial Relations Handbook mentions some industries where collective agreements do impose restrictions on the amount of overtime that may be worked. Examples listed are engineering, shipbuilding, hosiery manufacture, carpet manufacture, textile bleaching in Lancashire and Yorkshire, paper making, printing, building and electrical contracting. The handbook also mentions some of the circumstances in which the limits may be exceeded. A closer examination of the details of these restrictions reveals two things. First they are so full of exceptions that almost any hours of work could be justified. Secondly, they impose not an absolute limit to the amount of overtime that shall be worked but a limit to that which may be worked *without the local union organisation being consulted*. The result is that they represent attempts to regulate overtime rather than genuine restrictions.

78. The agreement covering process and general workers in the paper-making and board-making industry lays down that "subject to overtime payment . . . and to not less than 48 hours' notice, the management may require the workpeople to work such extra hours on production outside the normal mill week as they deem to be necessary but the obligation placed on the workpeople to work such extra hours shall be limited to 72 hours

per worker in each six calendar months. If circumstances call for extra hours per worker in excess of this limit, they shall be arranged in consultation between the management and the workpeople through the trade union representative in the mill".

79. The agreement then defines, "normal mill week", in such a way as to make it applicable to the 44 hour week which officially ceased to operate in March 1960 and which has now been replaced by the forty hour week.<sup>44</sup> This means that the limitations on the amount of overtime referred to in the Ministry of Labour Handbook for paper-making is, in effect, the agreement that almost seven hours of overtime can be compulsory every week and that beyond that local union consultation is required.

80. The collective agreement in the building industry imposes a much stricter control on the amount of overtime that may be worked without consultations involving union officials or operatives representatives. Until October 1961 all overtime necessitated a permit from the Local Joint Overtime Committee composed of union officials and employer representatives. Since then the relevant section of the agreement has read "Overtime in excess of one hour on Mondays to Fridays shall not be worked except by consent of a Local Joint Overtime Committee which shall delegate to its officials the power to agree to overtime as aforesaid". In the case of a failure to agree on the part of the officials the application goes to the Local Committee and, if necessary, to a Regional Joint Committee. This procedure does not apply to labourers who may be employed on preparatory work required before normal starting time and on unloading materials arriving on a job too late to be unloaded within normal hours. Apart from this, employers may insist on overtime for only one hour a day during the week. This is a more flexible system than existed in 1957 and 1958, when in times of building recession the unions were able to maintain a fairly tight hold on the extent of overtime working.

81. At other times the machinery has served a somewhat different purpose from that intended in the agreement. In one area the author visited, local employers were using overtime permits to keep an eye on contractors from outside the area. The employers used their powers to withhold overtime permits to ensure that (a) visiting contractors did not use overtime to attract local labour, and (b) standards of health and welfare were observed on contracts obtained by visiting firms. No evidence was forthcoming of permits actually being withheld for these reasons but they were granted only after a thorough investigation of the practices of the firms concerned. At the same time union officials were complaining that local contractors were working more overtime than had been authorised.

82. The attempt to regulate overtime in the engineering industry results from a bitter history. Three major disputes in the industry in 1852, 1897, and 1922 at some stage involved the question of who should decide when and how much overtime was to be worked.<sup>45</sup> The settlements of these disputes have given rise to a complicated set of agreements which include 10 clauses relating to overtime on the dayshift.

<sup>44</sup> The agreement introducing the 40 hour week explicitly stated that it was not meant to reduce total mill operating hours nor even to reduce the hours worked by most dayworkers.

<sup>45</sup> J. B. Jeffreys, *op. cit.* pp. 37-8, 148, 220-7.

83. The clause dealing with restrictions deprecates systematic overtime as a method of production but states that it is the employers' right to decide when overtime is necessary, and that objections to such decisions must go through the normal disputes procedure. However, the agreement also lays down: "No union workmen shall be required to work more than 30 hours' overtime in any four weeks after full shop hours have been worked, allowance being made for time lost through sickness, absence with leave or enforced idleness.

In the following cases overtime is not to be restricted:—

Breakdowns  
Repairs  
Replacements }  
Alterations  
Trial Trips }      Whether for the employers or their customers.

Completion of work against delivery dates".

84. This agreement, which is virtually identical with that covering the shipbuilding and electrical contracting industries, gives local managements virtually unlimited scope in fixing the extent of overtime working. An average of seven and a half hours per man per week is agreed without the necessity of justifying it in terms of the six exceptions to the restriction. When this limit has been reached the exceptions, particularly that relating to the completion of work against delivery dates, can be used to justify almost any conceivable item of overtime work.

85. In the general printing industry (i.e. excluding newspapers) overtime is regulated both by collective agreement and by the rules of some of the unions. The collective agreements in the industry in general usually state that reasonable overtime as occasion arises is accepted as a necessity to meet the production requirements of the industry. However, the agreement involving the largest craft printing union—the National Graphical Association—says "The limit shall be 32 hours in any two consecutive weeks . . . provided such overtime is not systematic. Such limitations shall not apply in cases of breakdown, and emergency, and emergency work shall be the subject of agreement between the House and the Chapel. . . ."

86. This is then another example of a collective agreement containing a fairly high limit on overtime which can be exceeded in cases of undefined emergencies with the consent of the local union representatives. Furthermore, when the normal week has been reduced, the overtime limit has been raised sufficiently to offset the reduction fully.

87. The rules of various printing unions contain limitations similar to that quoted above. Those of the Society of Lithographic Printers provide for a maximum of 16 hours overtime per working week. The penalty for exceeding this is a fine of not more than £5. A further clause in the rules of this union lays down that "When more than 2 per cent of the members of a branch are unemployed no overtime shall be permitted in any establishment without the sanction of the branch officers".

88. A similar reference to unemployment occurs in the rules of the Printing, Bookbinding and Paper Workers' Union where the limit of 8 hours per week can be exceeded with the sanction of the Branch secretary in

special circumstances provided that there are no unemployed members available capable of doing the work. If a member exceeds this limit without sanction he is liable to a 40s. fine. In the Society of Lithographic Artists the fine is 20s. and the limit is 30 or 40 hours in any one calendar month without the special sanction of the Branch Committee. This is by far the lowest limit in printing and it is noticeable that this Society is a party to the only national agreement in general printing which does not contain the "reasonable overtime clause".

89. With the exception of those of this last named union the rules become applicable only after a quite considerable number of overtime hours have been worked and then without exception local union discretion comes into play.

90. The contention that so called "restrictive clauses" usually set only a limit beyond which union consultation is necessary receives further explicit support in the agreement covering the manufacture of carpets. In this agreement it states that "Up to eight hours per week overtime may be worked with the consent of the workers concerned in the department. Overtime exceeding eight hours per week must be arranged in consultation with the local Trade Union concerned. There must be one week's rest from overtime in four". The final sentence of this clause is certainly one of the very few, if not the only, absolute and unconditional limitation on overtime imposed by a national agreement. No local initiative seems to be permitted. The effectiveness of this restriction will be considered below (paragraph 94).

91. In a very few industries men's hours of work are restricted by legislation. The clearest example of this is in road transport where the amount of overtime worked by drivers is controlled by the Road Traffic Act 1960. Section 73 of the Act governs the number of hours that a man may drive a goods vehicle. No-one may drive for more than 5½ hours without having a break of at least half an hour for rest and refreshment, and no-one may drive for more than a total of 11 hours in any 24 hour period commencing at 2 a.m.

92. These restrictions involve enforcement difficulties but in any case in normal circumstances a driver could work a total of 77 hours in a week, whereas the agreed working week is 42 hours. The margin of 35 hours which would be available on a seven day week basis provides plenty of scope for local initiative.

93. It would then appear that the few restrictions on the extent of overtime working which are imposed at a national level need have very little, if any, effect on the decisions which are taken in individual firms. The mere existence of restrictions may cause employers to consider the reasons for their overtime as they approach the limits and have to justify extensions. From the unions' point of view the restrictive clauses may help them in their anti-overtime pleas when unemployment is rising. A great deal, however, will depend upon the attitude of local union representatives, who are usually called in once an agreed number of overtime hours have been worked. These attitudes are discussed in greater detail in Chapter Five.

94. The figures available for hours worked in those industries with restrictive clauses in national agreements do not indicate any marked tendency for these industries to work less overtime than those without such clauses.

The years for which separate figures were available for building, as opposed to civil engineering and contracting, indicate that hours worked were almost invariably above average. The range of industries covered by the Engineering Agreement makes any analysis of its effect rather difficult. In April 1966 average hours in the "engineering and electrical goods" complex were almost identical with the average for manufacturing industry. At the same time the hours in road-haulage contracting were the highest for any group covered by the Ministry of Labour's enquiry. In both the printing and the carpet industries, however, hours were below the national average. Of the other industries listed by the Ministry of Labour as having restrictions, hosiery had relatively low average hours and textile bleaching reported relatively high hours.

## B. THE SUPPOSED FUNCTIONS OF OVERTIME

95. Central regulation of overtime has then had a negligible effect on the number of hours actually worked. This must be partly because the regulations have usually allowed very wide margins and practically always left the eventual decision to those involved in the workplace. The degree of local initiative allowed by collective agreements reflects the traditional explanations of the necessity for overtime working which has been presented ever since the early 19th century when most unions first started to be interested in obtaining some limit to the length of the normal working day or week.<sup>46</sup>

96. It has always been recognised that an absolutely rigid limit to the number of hours that could be worked in any day was clearly impracticable and some provision has to be made for emergencies and unforeseen difficulties.<sup>47</sup> The clause in the Engineering Agreement quoted above (paragraph 83) illustrates the way the parties recognise that in certain specified circumstances overtime working is essential. In the case of five of the exceptions in the clause the situation could be described as one of emergency or infrequent occurrence. In the spirit of the agreement the sixth, relating to the completion of work against delivery dates, probably falls in the same category but it is loosely worded and could in practice apply to non-emergency situations. A similar justification underlies the exception relating to unloading in the Building Agreement. It is a characteristic of emergency situations that they can only be identified and dealt with at the workplace.

97. If overtime only resulted from emergencies it would be worked, almost by definition, only intermittently. However, while national agreements deprecate systematic overtime the parties to them often argue that for some groups of workers in some situations overtime is essential on technical grounds. The arguments advanced for overtime on grounds of "technical necessity" may take many forms in particular situations but four basic types can be recognised.

First—Those where it is stated that the job by its very nature involves work outside the normal running hours of a plant. The classic examples of this are plant maintenance and cleaning duties.

<sup>46</sup> S. and B. Webb, *Industrial Democracy*, p. 337.

<sup>47</sup> This argument is stressed in S. J. Chapman, "Hours of Labour", *Economic Journal*, Vol. XIX, No. 75, 1909.

Secondly—Those relying on the indivisibilities of certain tasks making it difficult, if not impossible, to perform a round number of such tasks within the allotted number of normal hours in the day. Such problems often arise in drawing up transport schedules.

Thirdly—Those relating to shift-working, where cover for a full week of 168 hours is not easy to obtain with everyone working just 40 hours. To maintain the regularity of shift systems in such circumstances some systematic overtime may be built into working patterns.

Fourthly—Those which use variations in the work content of particular orders as they affect individual departments to show that at any given time bottlenecks will probably be present in one or more departments. Thus on the plant level it is argued there will be a need for systematic overtime in the sense that some departments, not necessarily the same ones, will be working overtime each week. A printing works for example may have a lot of books at the proof-reading stage but few for binding, whereas at a later stage in the production cycle the reverse may be the case.

98. These four types of argument all involve the decision on overtime working being taken within the individual plant. There is slightly more scope for the national labour market organisations to offer guidance on points of policy relating to "technical necessity" arguments than there is on the "emergency" arguments for overtime. For example those drawing up transport schedules could be guided so that no duty involving a stated amount of overtime should be scheduled to begin within a stated time before the completion of normal hours.

99. Apart from the emergency and "technical necessity" arguments for overtime working there is another group of arguments which has developed particularly during the post-war era and which may be given the general heading of "Social and Economic". In most forms these arguments are used to justify systematic overtime working over some extended period.<sup>48</sup> The arguments so far considered have been concerned with removing obstacles to the productive utilization of normal working hours and only in unforeseen circumstances have they involved the extension of normal hours for productive purposes. It has been argued, however, that overtime on production work is essential if Britain is to maintain or increase its output.

100. Those who use this argument point to the acute manpower shortages which have persisted in some occupations and industries since the inter-war depression. Throughout the post-war period there has been a generally high level of demand for labour and almost unbroken periods of very low unemployment. In these circumstances it is argued production could not be increased by employing more men, or introducing extra shifts, but only by at least maintaining, if not increasing, the hours worked by the existing labour force.

101. In some circumstances it is also argued that it would be both socially and economically undesirable to remove overtime by employing more men. Those using this argument point to continual fluctuations in the demand for

<sup>48</sup> Many of these arguments appeared in correspondence in the "Times" in 1954. See particularly letters from Pollock, Laign and Lindsay on 30th October and from Sproxton on 3rd November.

goods and services, and stress that if a firm met temporary booms by expanding its labour force it would eventually have to resort to short-time working or to discharge labour. In both cases the hardships involved to those concerned are greater than with fluctuations in overtime working.

102. In addition to the social objections to increasing the size of the labour force in these circumstances employers have also stressed economic objections. There is an element of labour costs which is fixed in the sense that once a man has been employed certain charges have to be met before he does any work. In addition to any training expenses an employer will have to contribute to national insurance, redundancy funds, pension schemes, holiday schemes and welfare and recreational facilities as his staff grows. The employers' liability to make payments under guaranteed week agreements and in cases of redundancy also enters calculations of the cost of employing a man before any output is forthcoming. In these circumstances employers have argued that the fixed costs of employing an extra man justify the expense of several hours of premia-rated overtime even if extra manpower could be obtained.

103. This argument is very similar to the standard textbook one which is expressed in terms of spreading capital overheads over increased output. The important thing about both of these arguments is that it would be perfectly possible for the parties to collective agreements to take them into account when reaching their conclusions on the level of normal hours and their attitudes to overtime. The existence of high fixed costs, be they for capital or labour, may be a justification for not reducing the length of the normal week or for allowing systematic overtime for production purposes. Such issues can be considered in national negotiations and are presumably taken into account, in some qualitative way, in those agreements which stipulate a certain level of normal hours and deprecate systematic overtime. These issues then present fewer problems in the regulation of overtime than the more traditional justifications for overtime discussed in this Chapter.

104. The traditional justifications are reflected in the "exception" clauses to the limitations on overtime contained in a number of collective agreements. These justifications, on grounds of emergency or supposed technical necessity, have meant that collective agreements attempting to restrict overtime have remained general and have preserved the principle of local initiative. The pressures operating at the workplace and their contribution to the failure of agreements to limit overtime are the subject of the next chapter.

### C. SUMMARY

105. This chapter has shown that the length of time worked by adult males in Britain is determined at the place of work. National agreements represent nothing more than attempts to regulate overtime and for the most part simply provide for union agreement at local level. In the very few industries where legislation is a factor it is compatible with considerable local initiative and freedom. Yet the traditional justification for such a system does not bear examination, for it assumes that overtime arises out of

the need to respond to sudden emergencies or technical necessities, which can only be evaluated within the workshop. The systematic nature of the overtime pattern contradicts this theory of its causation. The actual pressures which give rise to overtime must be sought elsewhere.

## CHAPTER FIVE

### THE DETERMINANTS OF INDIVIDUAL DEMANDS FOR OVERTIME AND THE ATTITUDE OF TRADE UNIONS

106. This Chapter begins by examining the factors which are said to determine the demand of the individual for overtime, together with the attitudes of employers towards granting it. Factors such as the role of taxation, the effect of financial responsibility, and the possibility that overtime itself gives rise to a self-sustaining demand for its maintenance and extension are all discussed. The Chapter then turns to consider the contrasting views of unions and their members towards overtime, and the reasons for these different attitudes.

107. An examination of the national statistics on overtime working is of limited value in deciding why overtime is worked by particular groups of people. The statistics reflect the decision as to when and where overtime is to be worked but this decision is a complicated one. The traditional view is that management decides when overtime is to be offered and the workpeople decide if they will accept the offer. This in itself makes it difficult to discover the willingness or otherwise of groups of individuals to work overtime by examining national statistics. The figures will be determined in part by variations in employers' offers of overtime and in part by variations in the workpeople's response to the offer. Necessary modifications of the traditional view make the interpretation of statistics even more difficult. Many employers will now admit to the fact that they offer or allow overtime merely to keep their labour force.<sup>49</sup> Zweig's enquiries led him to the conclusion that the degree to which people wanted to work overtime was determined by the extent to which it was customarily worked in the factories in which they were employed.<sup>50</sup> The interaction of employers and employees decisions means that individuals' attitudes to overtime are best examined by considering differences in their responses to the same offers by employers. This makes it essential to proceed mainly by means of case studies of particular situations.

108. The case studies carried out by the Industrial Psychology Research Unit<sup>51</sup> have been concerned with the explanations of variations in individuals behaviour. Robertson produces some information on important variables.<sup>52</sup> Zweig's book<sup>53</sup> and other studies discuss the subject generally with little or no attempt at quantification.

109. This information can be supplemented by the author's own studies. In the motor car plant detailed information was obtained for the hours of workers transferred from one department into the cleaning department each weekend over a period of 11 months. In the printing works details were obtained covering a department in which management said there

<sup>49</sup> See the example quoted in para. 174 below.

<sup>50</sup> F. Zweig, *op. cit.* p. 253.

<sup>51</sup> Full references footnote 4.

<sup>52</sup> D. J. Robertson, *op. cit.*

<sup>53</sup> F. Zweig, *op. cit.*

were considerable and regular opportunities for overtime working. This data, covering a 52 week period was supplemented by other personnel data and a questionnaire to the individuals. At the Fawley Refinery of the Esso Petroleum Company an extensive programme of scheduled interviews was carried out among process operators on shift work.<sup>54</sup> From these various sources it is possible to distinguish several factors which are, or are thought to be, important determinants of people's attitudes towards overtime working.

#### A. WILLINGNESS TO WORK OVERTIME AND THE ROLE OF TAXATION

110. The Royal Commission on the Taxation of Profits and Incomes, which sat from 1951 to 1954, was very much concerned with the effect of progressive taxation on incentives generally and on the incentive to work overtime in particular. Harrod submitted a memorandum in which he noted "a more than ordinary lack of eagerness to work overtime" and put it down to high marginal tax rates on wages.<sup>55</sup> Hicks in questioning TUC representatives attempted to establish that there was little point in discussing the effects of tax on the desire for overtime working as there was little evidence of a greater aversion to overtime than there had been pre-war with much lower tax rates.<sup>56</sup> Kaldor, on the other hand, tried to establish that the working week in the 1950s was not as long as might be expected in view of the changed employment situation compared with pre-war.<sup>57</sup>

111. These proceedings would seem to raise two questions. First is there a problem of persuading people to work overtime? Secondly, where there is an unwillingness to work overtime is this related to the income tax system? Current evidence suggests that not much managerial effort has been required to persuade people to work overtime in recent years. In all of the factories and departments in Britain visited in the course of the author's study in only one department did a manager mention difficulties in obtaining staff to work overtime. At the Fawley Refinery the enquiry into attitudes towards overtime working was carried out in conditions that were almost exactly those in which the desire for overtime might be expected to be at a minimum. First, the workers interviewed were all employed on continuous shifts which meant that (i) it was a question of a few hours overtime at a stretch or none at all; (ii) they had a shift premium giving them earnings which were high in relation to other workers in the same plant. Secondly, a large increase in rates had been granted specifically to reduce the incentive to work overtime. Thirdly, within the group being interviewed overtime had not been cut nearly as much as intended when new base rates were fixed. Thus earnings were for some much higher than had been thought necessary when fixing the rates to remove the overtime incentive. Furthermore the question asked was "Would you like to do more overtime than at present?", and is not one of the answers to which very much reliance can be placed. Indeed some people said their hours were much worse than three years earlier because

<sup>54</sup> A full summary of this is given in the author's appendix to, "The Fawley Productivity Agreements" by Allan Flanders. Faber and Faber 1964, pp. 340-349.

<sup>55</sup> Minutes of Evidence. Day 12, p. 261.

<sup>56</sup> Minutes of Evidence. Day 10, p. 248.

<sup>57</sup> Minutes of Evidence. Day 10, p. 249.

"there is not nearly as much overtime" and yet later in the interview said they would not like to do more overtime than their current level. Nevertheless 25 per cent of those interviewed said they would like to do more overtime. That this should be regarded as a minimum estimate of the extent of the willingness to work overtime is obvious from the above description of the conditions under which those concerned were working. A Gallup Poll in 1959 indicated a greater overall willingness to work overtime,<sup>59</sup> although it should be noted that the wording of the question was such that none of the choices offered involved a *decrease* in either leisure or money. What was in effect being asked was "Would you like your next advance to be in the form of more money or more leisure?"<sup>60</sup> Fifty-seven per cent of trade unionists said more money. The work and leisure study provides support for the argument that managers do not find it difficult to obtain people to work overtime. One of the discussion questions started: "As a manager are you fighting for more overtime or for less?"<sup>61</sup> The report makes no mention of anyone saying that they were fighting for more and the individual study group reports provide only one example of a manager saying this. Further evidence of the willingness of individuals to work overtime is to be found in the lack of disputes about compulsory overtime, in the trade union resolutions calling for an anti-overtime propaganda, or educational campaign, and in letters, articles and motions in trade union journals.

112. It would be wrong to give the impression that every working man is seeking overtime. Zweig identifies categories of individuals according to their attitudes towards overtime,<sup>62</sup> and at least two of his categories (those who object on principle and those who reluctantly take their turn) involve the member's having a basic hostility to overtime work. The question then becomes how far these are individuals affected by tax considerations. Harrod's argument before the Royal Commission was that high marginal rates were an important factor in discouraging overtime work and distinguished between the effects of these and the general effect of the incidence of high taxation.<sup>63</sup> In the words of Buck and Shimmin the strength of this opinion "appears to lie in its reasonableness rather than in any supporting evidence."

113. Indeed they, together with the Taxation Royal Commission, produced evidence to the contrary.<sup>64</sup> They point out that the amount of tax a man pays depends on his taxable income, which in turn depends on his earnings in normal hours and in overtime and his tax free allowance.<sup>65</sup> In an engineering

<sup>59</sup> Gallup Poll on Trade Unions undertaken for the "News Chronicle". Social Surveys (Gallup Poll) Ltd., London, 1959.

<sup>60</sup> The actual wording of the question was, "Which would you yourself choose if you had the choice of either working three hours less each week for the same total earnings as you get at present or of continuing to work the same number of hours but getting more money?"

<sup>61</sup> Work and Leisure, p. 4.

<sup>62</sup> The objectors, the clamourers, the reluctant turn-takers, those who do it sporadically, and those whose job requires it. The Worker in an affluent Society, p. 73.

<sup>63</sup> Royal Commission on Taxation of Profit and Income. Q. 2930-1.

<sup>64</sup> Buck and Shimmin. Westminster Bank Review, August, 1959.

<sup>65</sup> Further evidence on this is quoted in G. F. Break, "Income, Taxes and Incentives to Work: An empirical study", Am. Econ. Rev. XLVII (September, 1957) 529-549. In this 63 per cent. of the 306 self-employed accountants and solicitors in England who were the subject of the study had marginal rates of over 50 per cent. The study concluded, however "the chorus of complaints vehement and eloquent, against 'Penal' taxation, echoed by the great majority of respondents interviewed in the present study, was surprisingly infrequently translated into action."

shop where overtime working was a matter of individual choice they assessed the taxable income of each man for four quarterly periods and sought correlations with differences in overtime working. They summed up their results thus:

"These data show little or no relation between an operative's taxable income and the amount of overtime worked . . . high marginal rates of tax do not deter a man from working overtime."<sup>65</sup>

114. The Royal Commission's evidence was less conclusive than this, but in the enquiry the Commission sponsored from the Social Survey less than a third of the 1,400 production workers interviewed said income tax had adversely affected their own working efforts, and almost the same number said they had been induced to earn more because of it.<sup>66</sup> Of the 102 interviewed at Fawley nine mentioned that "taxation" discouraged them from doing overtime (no distinction was made between the general level and the marginal rate) whilst two said that they used overtime earnings to compensate for that part of their basic income taken from them in the form of tax, insurance and pension deductions. Evidence of this type is not particularly reliable for the same reasons as justify the dismissal of Harrod's claims, namely that "tax" may be used as an excuse by those who do not want to work overtime for other reasons. Lionel Murray, giving evidence on behalf of the Trades Union Congress, put it to the Royal Commission on Taxation that ". . . on some occasions the worker may tend to make a stalking horse of PAYE. He may have a good many reasons for not wanting to work overtime, he may want to go to the pictures, take his wife out and sometimes he tends to say, 'Oh, PAYE—it is not really worth working overtime.' Whereas really if you can get underneath it is some other reason and PAYE is used as an excuse . . ."<sup>67</sup> All the evidence then would seem to point to the conclusion that levels and margins of taxation play very little part in the decisions of those who do not want to work overtime.

#### B. THE EFFECT OF FINANCIAL RESPONSIBILITY, AGE AND EARNINGS

115. The belief that high tax rates deter people from working overtime is based in part on the fact that those with high PAYE code numbers, and hence with a large tax free earnings allowance tend to work more overtime than those with lower codes. Shepherd and Walker of the Industrial Psychology Research Unit having noted a positive correlation between PAYE numbers and overtime working suggested that this could be due to tax reliefs but there was no direct evidence on the matter.<sup>68</sup> In fact, the evidence above points to the more obvious explanation of this correlation PAYE code numbers can be taken as a fairly accurate measure of the financial responsibilities of the men concerned and also as a guide to their family commitments.<sup>69</sup> Thus their positive correlation with hours of work suggests that family and financial responsibilities affect a person's overtime patterns. This correlation has been noted by Robertson, by Buck and Shimmin and by Shimmin and de la Mare, in widely differing circumstances.

<sup>65</sup> Buck and Shimmin. *Westminster Bank Review*, August, 1959 p. 18.

<sup>66</sup> *Op. cit.* Appendix to 2nd Report.

<sup>67</sup> Minutes of Evidence, 10th Day, p. 244, Q. 2684.

<sup>68</sup> Shepherd and Walker, *op. cit.*, p. 59.

<sup>69</sup> Buck and Shimmin. *Occupational Psychology*, July, 1959, p. 140.

116. The author's study in the printing works also revealed that those with no family commitments did very little overtime compared with those with several children. In the motorcar works the regularity with which certain individuals transferred to weekend cleaning duties was similarly related to PAYE numbers. Of those whose code numbers indicated that they had at least one child 74 per cent worked on more than three-quarters of the possible weekends between their first and last recorded appearance. Of the remainder considerably less than half did so. At the Fawley refinery the 25 per cent who said that they would like more overtime than they were currently getting had an average family size in excess of that of the remainder of those interviewed.

117. It is clear that family and financial responsibilities are important determinants of individuals' behaviour and attitudes. Most studies have also shown that some people with heavy family responsibilities choose to work no overtime whilst others with no such responsibilities work a great deal. Shimmin and de la Mare noted that "at each level of financial responsibility almost the whole range of overtime hours is represented." Looking further into this they found no difference "in the composition of the groups with regard to age (or) basic salary".<sup>70</sup> At Fawley there was no significant difference in the age and salary structure of the additional overtime seekers but at the upper limits age did seem to affect the amount of overtime a man reported doing.<sup>71</sup> Thirteen per cent of those over 50 years old said they worked more than 6 hours overtime a week whilst 36 per cent of those under 50 years old did so.

118. The effects of age on the willingness to work overtime are relatively unimportant from the policy point of view but the effects of basic salary are not. What is the evidence? Shepherd and Walker noted that "the relation between family responsibilities and the extent of overtime working depends upon wage levels. At lower wage levels there is a considerable increase in overtime working with increasing family responsibilities. In the higher pay groups there is little or no relation".<sup>72</sup>

119. At Fawley the pay rates (including shift, supervisory and merit differentials) for those with comparable opportunities for overtime ranged from just under £18 to £22 13s. Yet there was no apparent relation between the rate received by a man and his desire for more overtime, his actual working of overtime or his response to family responsibilities.<sup>73</sup> Buck and Shimmin in their engineering case study failed to find a significant relationship between consolidated wage rates and overtime working. They suggested that this might in part be due to the small range of rates covered (£9 12s. 6d. to £11 7s. 8d.).<sup>74</sup> The Shimmin/de la Mare study also failed to find any relations between basic rates and overtime working but again there was only a small

<sup>70</sup> Shimmin and de la Mare, *op. cit.*

<sup>71</sup> In the printing works there was a close correlation between "reported" overtime and actual overtime revealed by personnel department records.

<sup>72</sup> Shepherd and Walker, *op. cit.*, p. 58.

<sup>73</sup> Those desiring more overtime were regularly distributed among the different pay grades. 33 per cent. of those with a basic wage above £19 worked six or more hours of overtime, a level reached by 28 per cent. of those with a lower basic wage. Of the higher rated men with children 36 per cent. exceeded six hours whilst the comparable figure for the lower rated men was 33 per cent.

<sup>74</sup> Buck and Shimmin, *Occupational Psychology*, p. 145.

variation in the basic salaries of those covered. In the printing works the basic rates of those studied varied between eleven and thirteen pounds a week, and, while the highest rated men did average slightly less overtime than the others (3·1 hours a week), those in the middle range (4·6 hours) worked longer than those with the lowest rates (4·0 hours) though here the hours of the lowest group may reflect a certain degree of management control in that men with a lower standard of performance were probably offered less extra work than others.

120. Robertson's engineering factory case study produces evidence more in line with that of Shepherd and Walker. He notes that:

"It was found in the general sample that the unskilled (and lower paid for normal hours) group worked longer. This is also true within the one occupation. Those (fitters) with the highest 44 hour earnings show a tendency to vary in their choice of overtime work, whilst those with lower earnings tend more definitely to aim at and accept maximum overtime."<sup>75</sup>

121. Thus while the evidence is not all on one side *among those with comparable opportunities for overtime* it is not at all clear that the lowest paid are the most interested in overtime. Individuals respond in a variety of ways to differences in incomes and financial responsibilities. In every group one finds individuals whose attitudes to overtime can be categorised as follows:—

- (i) Object to it;
- (ii) Use it as a way of increasing their living standards;
- (iii) Use it to buy "extras";
- (iv) Regard it as a safeguard in financial emergencies.

122. Zweig noted several examples of people who objected to overtime working, e.g. a single man paying high tax, a man without children but with a wife's earnings, a man with strong hobbies, a man who finds his work a strain.<sup>76</sup> In fact, the reasons given by those who do not work overtime are probably as numerous as the people involved. It is virtually impossible to say of any category of manual workers that they will systematically refuse overtime. Thus there are no clear cut policy measures that would eliminate the individual's desire for overtime. It has been shown above that some people with very low tax-free incomes work a considerable amount of overtime. At Fawley the fact that a man's wife was earning did not mean that he was anti-overtime. Indeed, the 25 per cent who declared that they would like to do more overtime than they were currently getting contained a *higher* proportion of men with working wives than the rest of the sample.

123. Similarly at Fawley the range and nature of leisure activities appeared to have no effect on men's attitudes to overtime. In the printing works, however, most of those who objected to overtime gave its interference with their leisure pursuits as one of their reasons. The case studies do, however, show an association between a man's attitude to his job and to overtime working. Those experiencing strain in their job do not wish to work overtime. The non-overtime workers in the printing firm gave explanations such as:

<sup>75</sup> D. J. Robertson, *op. cit.*, p. 43, note 1.

<sup>76</sup> F. Zweig, *op. cit.*, pp. 73-4.

" too tired and fed up with the problems of the job ",

" I find eight hours concentrated work more than enough for the day ",

" I do not feel that my eyes would stand up to more than a day's normal work ".

" Excessive tax makes the extra mental fatigue not worthwhile ".

124. No really significant comparisons can be made between variations in job attitudes and the reported levels of overtime at Fawley. Eighty out of the 85 who were able to compare their job with previous ones said either that their current job was the best ever or that it compared favourably. However, even in this situation where most people were more than satisfied with their jobs the high overtime workers made more favourable comparisons than the remainder. This is all consistent with the Shimmin/de la Mare study which noted that low overtime workers had a negative attitude to their jobs in which they experienced stresses. The association between a man's attitude to his job and his attitude to overtime is important, not because it has direct policy implications, but because it may partially explain a multiplicity of beliefs about the determinants of a man's attitude to overtime none of which can be empirically substantiated. Both the " deterrent effect of taxation " and the " full leisure programme " arguments may be plausible and socially acceptable rationalisations from those who do not like their jobs.

125. At the other extreme from those who object to overtime are those who see the earnings from the extra hours as a means of effecting an increase in their standard of living. At the oil refinery the following comments were heard:

" I want overtime for luxuries. I sometimes feel the more I have the more I want ",

" I find that I rapidly live up to my income and can always do with extra ",

" I always aim for something more—like a better holiday ".

From the printing works one got replies like:

" Could you live on £11 18s. a week less deductions? "

" With basic rates near to subsistence level I gratefully accept the necessity of working overtime ".

Shimmin and de la Mare noted that the very high overtime workers looked upon it as an opportunity to raise living standards enabling them to get the things they desired.<sup>77</sup> The number of people who would actually admit to falling into this category is in fact very small. Many would place others in it with themselves in the category of those who do not base their standards of living on overtime earnings but use them for " extras ".

126. Just under 30 per cent of those interviewed at Fawley said that they would not like to see regular overtime abolished even if provisions were made to see that their take-home pay did not decline. The most frequently used argument by this group, and by some others, was that overtime earnings came in useful " for extras ". Zweig discovered many

<sup>77</sup> *Op. cit.*, p. 44.

who tended to base their standard of living on five days work using overtime money mostly for savings.<sup>78</sup> Elsewhere he mentions that the savings are frequently of a short-term nature with holidays and cars as the favourite targets.<sup>79</sup> The Fawley observations are consistent with this although the question of savings was never raised by either party to the interviews. When asked to be more explicit about the extras from overtime earnings most of those interviewed mentioned such things as furniture, holidays, little luxuries, hire purchase deposits, a car, a house and things for the children, most of which can be regarded as involving short-term savings projects. It should be noted that many of these things are referred to in the Shimmin/de la Mare study as examples of how people use overtime to raise their standard of living. This implicit fusion of categories two and three (of para. 121) will be important in assessing the effects of various attitudes.

127. The main difference between the fourth category and the two preceding ones is to be found in the origins of the desire for the extra earnings. A characteristic of the expenditures involved in the above discussion is their postponability.<sup>80</sup> There are certain situations, however, in which non-postponable expenditures become necessary. The clearest example of this is when a newly married couple find that they are expecting a child sooner than they had planned. This in itself involves increased expenditure and probably removes the wife's contribution to the family income much of which may already be committed to hire purchase and mortgage repayments. In such circumstances it is essential for a man to be able to increase his own income, and overtime working is both a convenient and a traditional way for him to achieve his ends. It should be noted that the expenditures in the two previous categories are both postponable and in theory could be met without overtime at some level of basic rates. The emergency nature of certain expenditures in a situation where a large percentage of income is already committed make them unamenable to even a theoretical solution in terms of a high level of basic rates. Few examples of such motives for working overtime came out of the case studies, but this may be because it only affects a tiny proportion of people working overtime at present. In a "no-overtime" situation this argument might be expected to be more to the fore. The alternative ways in which an individual's demands for extra earnings might be satisfied are discussed in the final Chapter.

### C. THE EFFECT OF COMPARISONS AND THE GROWTH PROCESS

128. Given the multiplicity of factors which can make someone want overtime it is not surprising to find that in most workplaces there are some quite ready and willing to work overtime. The evidence suggests that these will be found whatever the income levels involved though less so in groups with relatively high rates. Further, given the existence of current management attitudes, reflected in Chapter Three, at least some of those wanting it will be able to work overtime. This, however, is not a stable situation. The behaviour of some affects the desires of others.

<sup>78</sup> Op. cit., p. 74.

<sup>79</sup> Op. cit., p. 72.

<sup>80</sup> This may be a partial explanation of the denial that they are an essential factor in determining a man's standard of living, but see below para. 130.

129. One of the most persistent grievances associated with overtime is the way it is shared out. At Fawley about 60 per cent of those asked about potential complaints on overtime working mentioned its uneven distribution. The complaint was expressed in various ways, e.g.:

"I would object if a lower grade person were getting more overtime than I was and taking home more money as a result".

"It is not fair if a higher-rated man does overtime covering a job I could do".

"I would object if a single man got all the overtime".

These attitudes may not be mutually compatible. Their existence alongside the desires and needs of some to work overtime leads to a situation in which junior levels of management are encouraged to find overtime for others or at least to attempt to solve their production problems by spreading overtime. In such circumstances the sort of thing that may happen is clearly instanced by a practice emerging from the Fawley investigation. In the general assault on overtime (discussed in Chapter Seven) a force of substitute operators was introduced to provide cover for shift workers in cases of predictable absence, e.g. holidays or prolonged sickness. One of the sources of absence which supervisors were to use them to cover, was days taken in lieu of bank holidays. Over half of the shift workers who were asked how they set about getting a day in lieu and who arranged cover for them said they would arrange cover amongst themselves. One put it thus: "We tell the supervisor that we want a day off. Put our names on the board and our mate's initial if they will cover us." This informal practice did not go as far as the one which led to criminal proceedings by the Post Office in 1962,<sup>81</sup> but it indicates the forces which were at work undermining the intentions of those responsible for the Fawley agreements.

130. Further, there is no reason why the process of growth outlined above should be reversed. As one overtime worker put it:

"It is . . . true beyond contradiction that overtime like smoking can become a habit and grows on one and when one does get a flat week it shakes one."<sup>82</sup>

This man would probably admit to basing his standard of living on overtime earnings. The shock of a flat week can be just as great for those who claim not to inflate their living standards with overtime work. Many of the "extras" for which they use overtime can be excluded from a family's standard of living only by using a very narrow definition of this phrase. A car, a holiday, things for the children and furniture all contribute to living standards. If overtime earnings were not available to provide them either standards would fall, or some other means would have to be found to pay for them.

<sup>81</sup> *The Times*, 27th November, 1962, reported a case in which three Post Office employees were sentenced to various terms of imprisonment following frauds involving the falsification of documents. The frauds were discovered when a man who was supposed to be doing overtime could not be found. Further investigation showed that higher grade postmen were falsifying the initials of supervising officers on forms recording overtime hours. One such postman admitted receiving an average of £10 a week from other postmen as a result of his dishonest activities.

<sup>82</sup> Letter to "Post". *Journal of Union of Post Office Workers*, 26th September 1953.

131. That overtime results from what might be described as a self-sustaining growth process is supported by Zweig's observations mentioned at the beginning of this chapter. He was puzzled by the fact that in Workington and Sheffield he found an almost "insatiable appetite" for overtime, while at Vauxhalls in Luton a considerable appetite, but at Dunlops in Erdington a very moderate one. His observations led him to conclude that the explanation of this variation was "the actual incidence of overtime in different workplaces and areas. Where overtime is a long established practice, the worker raises his standard of living, reckons the overtime earnings as part of his legitimate earnings and incorporates them as of right into his expectations".

132. It would then seem that in all workplaces, irrespective of absolute wage levels, there are those with strong needs and desires for overtime earnings. The satisfaction of their desires creates new ones for themselves and others. A cancerous situation develops. Most collective agreements leave the decisions on overtime to those at the workplace. Management often requiring overtime working, normally leave the decisions to their junior representatives on whom we have seen there are strong pressures to extend and maintain over-time. To what extent though do union organisations produce counter pressures at the workplace?

#### D. THE ROLE OF UNIONS AT THE WORKPLACE

133. The most important point to establish here is that the attitudes of union officials and union members at the workplace differ sharply from those of national union leaders. In 1959 a Gallup Poll on Trade Unions<sup>83</sup> asked, "Some unions are demanding that the working week for their members shall be cut down to a total of 40 hours. Do you think that this is because they want more leisure or because they want to earn more at over-time rates?" Forty-four per cent of trade union members, 56 per cent of members' wives and 59 per cent of all those interviewed said that overtime was the motive. In the same vein, 57 per cent of trade union members said that they would prefer more money for the same hours to the same money for three hours fewer each week. Yet at this time virtually all the main industrial unions had an anti-overtime plank in their official platform.

134. Further evidence of lack of concern among unions at the workplace about the amount of overtime being worked can be obtained from an examination of the Amalgamated Engineering Union's reports from divisional organisers. Each year these reports mention approximately 3,000 items discussed either individually with members or with management, or formally at different stages of the engineering disputes procedure. These reports can be used as a rough measure of the importance attached to controlling the levels of overtime working. 1954 was a peak year for overtime in the engineering industry and given the concentration of overtime on a part of the labour force that works it systematically the 30 hour limit per month must have been under consistent strain. Yet in the whole year only 78 references were made to overtime and just under half of these were related to pay questions or to embargoes unassociated with hours of work. This does not suggest that stewards or members felt very intensely about the levels of overtime being worked.

<sup>83</sup> F. Zweig, *op. cit.*, p. 253.

<sup>84</sup> Gallup Poll on Trade Unions undertaken for the *News Chronicle*. Social Surveys (Gallup Poll) Limited, London 1959.

135. The divergence between the official union attitude and the feeling and responses of individuals who may or may not be union members can be explained in a variety of ways<sup>85</sup>. The Webbs put it succinctly: "Keen as is the average working man to secure more time to himself, he is far keener to obtain more money to spend"<sup>86</sup>. W. J. Carron, now Lord Carron, put it to the AEU National Committee in the following terms in 1962: "We must declare in the strongest terms that we do desire our members to enjoy increased leisure and the fuller life", but later in the same speech he mentioned those who "would put avarice above living".

136. It would be wrong to suggest that all union leaders felt as strongly as Carron on this question or that all union members were unconcerned. While union leaders may express much more concern than their members' actions reflect one occasionally comes across a local official who shares his leader's views. The Work and Leisure study carried out by a study group following the Duke of Edinburgh's 1956 Oxford Conference quoted one: "As a trade union official, I am against overtime working for economic, social and moral reasons. Economic: long hours give pay packets out of proportion to the normal wage and it is difficult to raise standards for the normal week in face of the large pay packets. Social: too little time is devoted by the long-hours worker to his community, home and family interests. There is moral decay in a man whose sole interests are bed, board and a machine . . .".

This quotation reflects a considerable amount of rubbing off of institutional values and contains a clue to another cause of the dichotomy in question. The union officials and leaders will be more aware than the members of the possible long run effects on wage rates. There is no doubt that officials when discussing claims for higher wages, longer holidays or shorter hours often find the extent of overtime and overtime and earnings as an argument used against them.

137. Various phases in the historical development of trade unionism can be explained by the ability and willingness of groups of workers to control the supply of a particular type of labour. A similar explanation can be used to show why people at the workplace are likely to take a different view of overtime from that of their central union officials. To the central officials overtime appears to increase the supply of the particular type of labour with which they are concerned without bringing any compensating increase in their influence. On the other hand, an extra employee while increasing the supply of labour is a potential recruit for the union. The individual worker, however, sees an extra employee in his department as increasing the supply of his type of labour with few compensating benefits. For him, however, an increase in overtime supplies the extra labour but also raises his earnings and gives his workshop organisation the possibility of using a cheap industrial weapon—an overtime ban. Thus if the supply of labour has to be increased the trade union has grounds for preferring the expansion to be via new employees, as opposed to the individual and workplace officials who may well prefer an extension of hours for existing employees.

<sup>85</sup> Such a divergence is not of course confined to the question of overtime. See A. M. Ross, "Trade Union Wage Policy" University of California Press 1948 especially p. 23, "It is the beginning of wisdom in the study of industrial relations to understand that the union, as an organisation, is not identical with its members as individuals".

<sup>86</sup> S. and B. Webb. Industrial Democracy, p. 329.

138. There are, then, considerable differences in the attitude towards overtime of central union officials and those at the workplace. There is much less resistance to overtime at the local level and there are both social and economic reasons for this difference in attitude. Thus the fact that the collective agreements which attempt to control overtime leave a great deal of discretion to the local union representatives, means that no effective control is exercised. There are strong forces in the workplace making for the uncontrolled growth of overtime described in earlier Chapters.

#### E. SUMMARY

139. The conclusions of this Chapter were that, whereas there is little or no evidence that levels of taxation affect the willingness of workers to agree to overtime, there is some indication that their attitudes are affected by financial and family responsibilities. Yet it must be remembered that within all groups there are usually variations in attitudes towards the practice. Some dislike all overtime, and some wish to get as much of it as they can. There is also evidence that there are usually a significant number of people who want the money that overtime represents, and that the satisfaction of their desires usually creates new ones for themselves and others. Thus overtime has a self-sustaining growth process, which results in pressure on junior management to maintain and extend it. In respect of union attitudes it was discovered that while even today virtually all the main industrial unions have adopted anti-overtime policies, their members in the workplace take a different view. Good reasons can be given for these contrasting attitudes.

## CHAPTER SIX

### THE FUNCTIONS OF OVERTIME: FURTHER EXAMINATION

140. The object of this Chapter will be to examine patterns of overtime and production techniques to see how far they support the arguments in terms of which overtime is frequently justified. It will be remembered that in Chapter Four it was noted that these could be divided into several categories: emergency, technical necessity and social and economic arguments. Each of these are analysed below and in the section on social and economic arguments there is a consideration of the effect of reducing hours on output. It is argued that the facts indicate that overtime is not fulfilling the functions claimed for it. Far from assisting in the achievement of maximum output it appears to encourage a waste of resources and productive inefficiency.

#### A. EMERGENCY

141. The levels of overtime which have prevailed in Britain since the second world war are sufficiently high to swamp any which may have been worked in genuine "emergency" situations. It is basically the emergency argument that is used to justify the preservation of local initiative on overtime questions in collective agreements. However, such overtime, involving fire, flood, accident or major machine breakdown, can only have made up a tiny proportion of total overtime worked in recent years. If emergency is extended to include a late change in a customer's requirements, or a rush order at the behest of an important customer then it may be possible to explain more overtime in these terms, but at the same time these problems could often be met by means other than overtime in a way that genuine emergencies could not.

#### B. TECHNICAL NECESSITY

142. Overtime in terms of "technical necessity" falls into rather a different category. In certain circumstances this could be used to justify quite high and persistent levels of overtime. Two questions need to be asked of overtime justified in terms of "technical necessity". First, are the people who work a great deal of overtime the ones who would be expected to work if "technical necessity" was a major cause of overtime? If cleaning and maintenance staff could be shown to have worked very little overtime it would not be possible to explain British overtime in terms of technical necessity. Secondly, even if such workers do perform a great deal of overtime it is still possible to question its "technical necessity".

143. In Chapter Four, paragraph 97, four examples were given of arguments which have been used in attempts to justify overtime in terms of technical necessity. One of these, that relating to shift systems, can be dealt with quite quickly. In a number of firms the introduction of the 40-hour week did lead to the spread of overtime among shift workers. Completely continuous running throughout the year necessitates equipment being manned for 168 hours a week. With a normal working week of 42 hours

this continuous manning could be obtained by having 4 groups of workers, each averaging 42 hours per week. When average normal hours were reduced to forty, the plant could be manned for only 160 hours a week unless each shift worked two hours of overtime.<sup>87</sup> This cannot however explain very much of the post-war overtime for two reasons. First, the forty-hour week was extremely rare in Britain before 1960. Secondly, there are very few instances where 168-hour-a-week manning is essential and if the plant can be stopped for short periods three or four shift working does not necessitate any overtime working. In 1964 only 4 per cent of all workers covered by the Ministry of Labour's enquiry into shift working were employed on systems where cover was provided for a full 168 hours each week.

144. Few examples exist of tasks which once started have to be completed on the day in question. Some food and chemical processing work may fall into this category, as may certain transport schedules. These are in fact all moderately high overtime sectors. However in the bulk of manufacturing industries techniques of mass production break the job down into small tasks and as with much "one off" production the tasks can usually be left unfinished. Overtime of this nature would normally be worked only by production or vehicle drivers. It will be shown below, however, that production workers at least tend to do less overtime than others<sup>88</sup> though vehicle drivers do more. In the food and chemical industries the processes which have to be finished once started do not normally require the presence of the same individuals throughout. Thus such processes can be, and usually are, carried out by workers on a shift system. Transport overtime cannot be eliminated in this way, but modern scheduling techniques could certainly reduce it below the level current in many undertakings.

145. Some systematic overtime may be explained by variations in the work load falling on different departments of a firm at various stages in the production process. In such circumstances overtime would be expected to fluctuate widely in individual departments. The evidence of regularity between firms and between individuals in particular departments, shown in Chapter Three, would suggest that little overtime can be explained in these terms. Moreover, most firms in most industries produce a variety of products with a variety of production cycles, and the variety is probably greatest in the largest firms. Certainly in the largest firms production-programming techniques could be used to reduce variations of workload on individual plants to a minimum.

146. The most obvious examples of overtime being worked for reasons of "technical necessity" relate to maintenance workers and cleaners. In both cases the argument is that these duties have to be performed outside the normal working hours of a plant. Planned maintenance involving the withdrawal of plant for systematic servicing is recognised as reducing the need for such overtime but the need remains for systematic daily and weekly maintenance.

147. There is little doubt that, in general, maintenance workers and cleaning staff average more overtime per man than other groups of workers.

<sup>87</sup> Even in these circumstances compensatory time off could be used to give a 40-hour week average over a month or quarter. See Chapter Seven, para. 202.

<sup>88</sup> See Table 8 and Table 11.

It was noted in Chapter Two that at one plant visited the ancillary workers were working three times as much overtime per man as the production operatives. Similar patterns, though not as extreme as this, are reflected in the occupational overtime patterns shown in Table 11.

TABLE 11  
OCCUPATIONAL ANALYSIS OF OVERTIME  
JANUARY 1966

Industry	Occupation	Average Overtime Hours Worked by Men		
		Timeworkers	Payment by Results Workers	
Engineering* ...	Skilled excluding Maintenance	... 6.6	5.2	
	Skilled maintenance ...	... 9.7	9.3	
	Semi-Skilled ...	... 7.7	5.3	
	Labourers ...	... 8.3	8.0	
Iron and Steel	Process Workers	... 6.5	4.8	
	Maintenance ...	... 8.0	5.1	
	Labourers ...	... 6.7	6.0	
Chemical Manufacture	General Production ...	... 8.4	5.6	
	Craftsmen ...	... 8.3	6.6	

\* Including Mechanical Engineering, Electrical Engineering, Motor Vehicle Manufacturing, Aircraft Manufacturing and Repairing, and Marine Engineering.

148. This table does not show separate figures for cleaning staff but it does indicate that overtime tends to be highest amongst maintenance workers and lowest amongst general production workers. While payment-by-results workers in general work less overtime than time workers, the maintenance workers among them still work more overtime than the production workers.

149. The fact that maintenance workers perform relatively high levels of overtime suggests that there may be something in the argument that certain types of work must of necessity be done as overtime. However, it is by no means clear that this work could not be performed perfectly adequately in other ways. The significantly lower levels of overtime performed in other countries would suggest that there are other ways of meeting many of the problems for which overtime is used in Britain.

150. Even if maintenance workers throughout the world were working a great deal of overtime, it would still be possible to question the technical necessity of maintenance and cleaning overtime. The basic question that has to be asked is why there need be a bad match between the times at which maintenance and cleaning work is required, and the normal hours during which maintenance and cleaning workers are employed? If the bulk of maintenance and cleaning can only be done outside the normal running hours of a plant, there is no reason why the departments responsible for these duties should have normal hours exactly overlapping the plant running hours. In theory at least all but a very small part of maintenance and production work could be carried out on distinct shifts. Such an arrangement would, however, be an extreme solution to the problems in question and would bring other problems in its wake. However, varying normal starting times

between different departments by as little as one and a half hours a day, could give sufficient hours for maintenance work outside normal plant hours to eliminate the average level of overtime hours currently worked by most maintenance departments. When standard daily hours were of the order of ten to fourteen, such an arrangement for staggering hours would have meant either a very early start or a very late finish for some workers. In the context of the forty-hour week with an hour's meal break an arrangement of the sort described need not involve any work outside the hours from 8 a.m. to 6.30 p.m.

151. In short it can be argued that while much overtime may be worked by maintenance staff there is no technical necessity about it. In the case of any work for which a need can systematically be predicted, normal hours could be organised in such a way as to cover it. Thus there is little substance in the argument that in certain circumstances systematic overtime is technically necessary. Overtime is only essential in emergency or unpredictable situations and such situations cannot by definition be systematic.

### C. SOCIAL AND ECONOMIC ARGUMENTS

152. The arguments so far considered have involved the use of overtime to remove obstacles to the productive utilisation of normal working hours. It was shown in Chapter Four, however, that social and economic arguments for overtime involve the extension of normal hours on production work.

#### (i) *Overtime and fluctuations in demand for labour*

153. The main social argument that has been put forward for overtime working is that it enables fluctuations in production demands to be met without large scale hiring and firing of employees. Using changes in unemployment as a measure of changes in the demand for labour for production purposes there is little doubt that average hours worked have fluctuated with the demand for labour.<sup>69</sup> However, the overall figures show fluctuations about a high level of overtime with a large and expanding band of overtime which is unaffected by any fluctuation in production demands. As was shown in Chapter Two, the lowest point reached by overtime in each successive post-war employment cycle has been higher than in the previous one so that even at the low point of the cycle in 1963 overtime was running at about five hours per man per week.

154. The high level of overtime which has prevailed even in times of slack demand for labour would suggest that reductions in employment have occurred long before all the potential cuts in overtime have been made. An examination of broad movements in successive employment cycles bears this out. At the most, there are some 15 million manual workers in Great Britain and the Ministry of Labour's enquiries into their working hours suggest that from the peak of one cycle to the trough of the next, average weekly hours worked by each person fall by  $1\frac{1}{2}$  hours. This represents a total reduction of some 22.5 million man hours a week obtained by adjusting overtime hours. At the same time as hours have been reduced from the peak of one cycle to the trough of the next, unemployment has increased by between 250 and 450 thousand. Furthermore, for every

<sup>69</sup> Roberts and Hirsch (*op. cit.*, p. 118) found correlation co-efficients between unemployment and average hours worked, observed semi-annually from 1946 to the present, of 0.5143 and 0.4695 (when unemployment was lagged behind average hours by one observation).

two people who join the ranks of the registered unemployed, a further three withdraw from the labour force without registering as unemployed.<sup>90</sup> Thus from peak to trough employment is reduced by between 600 and 1,100 thousand. As the married women and older workers who leave the labour force work shorter hours than other people, it is not unreasonable to assume an average working week of 35 hours for those leaving employment. In this case the adjustments to labour demand by reducing employment would seem to be of the order of 21 to 39 million man hours a week. Thus adjustments to reduced labour demand, even with very high levels of overtime, have been made as much, if not more, by reducing employment as by cutting the overtime. Overtime may, in theory, be used to avoid large-scale hiring and firing in response to business fluctuations, but it has been used for this purpose only to a limited extent in Britain.

(ii) *Overtime and labour shortages*

155. The main justification put forward for overtime working is that it is essential to maintain or increase production in conditions of acute labour shortage and when normal hours are reduced. Overtime for this purpose is specifically ruled out in most collective agreements which mention the subject, but those who argue for the reduction of overtime are frequently confronted with the argument.<sup>91</sup>

156. If this argument is to be accepted as an explanation and justification of overtime working in Britain, it is necessary to show three things. First, that overtime has been worked mainly in circumstances of the most acute labour shortages, e.g. at times and in regions of very low unemployment and by workers in particularly scarce occupations. Secondly, that the growth of overtime has been associated with changes in normal hours. Thirdly, that overtime does lead to increased production. These issues will be examined in this and the following sections.

157. The correlation between unemployment and hours of work which was noted above<sup>92</sup> would suggest that overtime grew at times of labour shortage. Furthermore, Table 4 in Chapter Two shows that hours of work tend to be highest in regions with the lowest unemployment rates though this is not universally true. The Midlands regions have low hours and low unemployment.

158. However, even in Wales, where unemployment was 2·5 per cent, average hours exceeded normal by 4·3 a week, and in Northern Ireland an unemployment rate of 5·5 per cent was accompanied by 5 hours of overtime on average. High overtime in Wales and other regions experiencing relatively high unemployment is a feature of recession periods as well as boom periods.

159. Thus overtime remained high even in the hardest hit regions in times of high national unemployment. Moreover, to judge from the unemployment figures, the intensity of labour shortage was less in the second half of the nineteen fifties than in the first,<sup>93</sup> but as Table 1—Chapter Two—

<sup>90</sup> W. A. H. Godley and J. R. Shepherd "Long Term Growth and Short-Term Policy", National Institute Economic Review, August 1964, p. 27.

<sup>91</sup> See for example the correspondence in *The Times* referred to in para. 99.

<sup>92</sup> See para. 153.

<sup>93</sup> The average level of unemployment 1950-55 was approximately 300,000 and 1956-60 was 375,000.

shows, hours of work and overtime were on average higher in the latter half of the 1950s.

160. On top of all of this, an occupational analysis of overtime working shows that, apart from the maintenance workers, overtime is highest among unskilled workers for whom labour shortages are much less acute. As Table 11 above shows, in January 1966 more overtime was worked by labourers and unskilled workers in the whole of the Engineering complex and in Iron and Steel Manufacture than by skilled and semi-skilled workers not on maintenance work. This applied to both timeworkers and payment-by-results workers, and an examination of the detailed figures shows that it applied almost universally in the observations for individual industries and regions.

### (iii) *The effect of changes in normal hours*

161. The prevalence of overtime in all regions and at times of high unemployment, and its high incidence among unskilled workers, all throw serious doubt on the relationship between overtime working and the acuteness of labour shortages in post-war Britain. To what extent, though, does the need to offset the post-war reductions in normal hours explain the growth of overtime working? It was shown in Chapter Two that between 1938 and 1966 normal hours fell by 6·9 and actual hours by 1·3. This would suggest that increased overtime has offset a great deal of the reduction in normal hours. The amount to which this has occurred has varied with the different stages of the reduction to 40 hours. Comparison of hours worked in comparable periods of labour demand on either side of the 1959–61 reduction in normal hours suggests that among men the reduction was only one third effective and that the remaining two thirds was offset by increased overtime. This is illustrated in Table 12.

TABLE 12

	Unemployment (UK)	Normal hours* per week	Actual hours per week		
				per cent.	
1957 ...	...	44·3	48·3	1·6	
1961 ...	...	42·3	47·6	1·6	
Change 1957–61	...	-2·0	-0·7		
1958 ...	...	44·2	47·8	2·2	
1962 ...	...	42·1	47·1	2·2	
Change 1958–62	...	-2·1	-0·7		

\* See Footnote to Table 1 on page 11.

162. The reduction which took place in normal hours between 1964 and 1966 appears to have had a much more marked impact on hours actually worked. Between April 1964 and April 1966 the unemployment rate fell by some 0·5 per centage points. Yet between the same dates all but 0·2 hours of the reduction in normal hours of 1·6 was reflected in actual hours worked. It is too soon to give a precise interpretation of these changes but it is certainly possible that the continuing fall in unemployment despite the restrictions on demand imposed during 1965 could have been due to the reduction in normal hours having its full effect on actual hours.

163. The relationship between changes in normal hours and changes in actual hours worked has varied in the post-war era. However, the growth of overtime between 1949 and 1959 can certainly not be explained in terms of movements in normal hours. Over that period normal weekly hours fell by 0·3 hours whilst overtime grew by 2·2 hours.

(iv) *Overtime and output*

164. All of the economic arguments for overtime working turn on the effect changes in it have on output. Does increasing overtime increase output and would reducing it cut output? This is an extremely difficult question to answer and any answer would need supplementing by an examination of the relationship between the extra output and the increased costs involved in obtaining it.

165. Very little information is available which allows a judgment on the effect of changes in hours worked on output. A regression analysis of changes in hours of work and changes in the index of industrial production for some ten industries over the period 1948–1966, reveals that the changes are almost invariably positively correlated. This, though, only shows that in the past when output has fallen hours have also fallen.

166. A number of attempts have been made to study the effects of reductions in hours on output at the level of the firm or workplace. Such attempts have encountered considerable difficulties. It has been difficult first to isolate the effect of an hour's change from other changes taking place; secondly to determine the time period over which the effects should be studied; thirdly to know the extent to which the effects vary at different absolute levels of hours. A few case studies which took these factors into account as far as possible were carried out in Britain during the war.<sup>94</sup> In one of these 56 workers were studied and when their average hours were reduced from 58·2 to 51·2 per week, production rose by 22 per cent. There are, of course, special circumstances in all particular workplaces but in the case quoted reductions in hours worked without any other changes succeeded in giving a substantial increase in output. At the time of the study the group concerned were working more hours than the majority in Britain at the moment, but industry-wide averages in the region of 50 hours almost certainly involve some groups working 60 hours or more.

167. An American writer, David G. Brown, has produced a quantitative summary of case studies of the effect of hours changes on output<sup>95</sup> which in spite of all their limitations represent the most precise empirical data available on the relationships involved. He summarised 1,233 different observations: 940 from the National Industrial Conference Board's mail survey of employers in five industries which had recently reduced scheduled work-weeks, 158 from extensive studies by the United States Bureau of Labor statistics in the Second World War, 93 from the experience in Britain during the First World War and 42 from other sources. Brown ignores the NICB studies for certain purposes on the grounds that reports by employers on changes in output of an entire plant are probably less reliable than observations of specific work groups by independent observers. The NICB

<sup>94</sup> E.g. S. Wyatt, "A Study of Variations in Output", Medical Research Council Industrial Health Research Board, Emergency Report No. 5 HMSO 1944.

<sup>95</sup> David G. Brown "Hours and Output" in "Hours of Work" by Clyde E. Dankert, Floyd C. Mann, Herbert R. Northrup (Editors) Harper and Row, New York, 1965.

cases are also of less relevance to modern Britain than the others he considers because they refer not to cuts in overtime but to changes in normal hours which in the United States often correspond to actual hours. In the most relevant group of cases summarised, Brown reports that in 52 per cent of them a reduction in hours did not result in a fall in output<sup>95</sup>.

168. The studies surveyed by Brown also indicate that output is less likely to fall with a reduction in hours when the hours eliminated are relatively inefficient ones, e.g. a half day on Saturday. Brechling's analysis of the relationship between output, employment and hours of work in Britain between 1950 and 1962<sup>96</sup> suggests that overtime hours may be relatively less efficient than normal hours. He found that a fall of 1 point in the index of normal hours was accompanied by a 0·8 point fall in output per head. If, as he notes, actual hours only fell by half the fall in normal hours, there must also have been a fall in the output per man hour worked of the order of 0·3 points. If his analysis is correct it implies that output per hour in a working week made up of 42 normal hours plus 3 overtime hours is less than in one made up of 44 normal hours plus 1 overtime hour. This could be explained by a number of factors, e.g. workers trying to ensure that actual hours were maintained following a reduction in normal hours even when the needs for output fell, inefficiencies associated with overtime being worked by incomplete teams working longer than would be the case with full teams working normal hours. However, Brechling himself noted several possible sources of bias in this aspect of his analysis.

169. None of the evidence discussed in this section shows what would happen to output if a conscious attempt was made to reduce overtime. The correlation between changes in hours worked and changes in output shows that in the past both have moved in the same direction. The cases reported by Brown, even if the NICB cases are excluded, contain a number in which the changes related to normal hours rather than to overtime hours. Brechling's study was also concerned with the effects of changes in normal hours and the findings on overtime were marginal to his main work. However, Brown's figures show that in over half the cases studied, a reduction in hours has not resulted in a loss of output especially where the hours cut are relatively inefficient ones and Brechling's work implies that overtime hours are less efficient than normal hours. These findings must at least throw doubt on the belief that overtime at the current levels in Britain is essential to increase or to maintain output. The case studies reported in Chapter Seven, which show that much overtime can be eliminated in ways that do not affect output, provide further evidence that this belief may be ill founded.

#### (v) Overtime and wage rates

170. The arguments so far discussed in this Chapter would suggest that the traditional justifications for working overtime may do little to explain or justify the overtime that has been worked. There remains the possibility that overtime has been used for quite different purposes. H. A. Clegg as suggested that the primary function of overtime in recent years has been

<sup>95</sup> The effect was shown to vary with the level of hours, the extent of the change, the method of payment, and the type of work involved. Unfortunately no cross tabulation of these factors was produced.

<sup>96</sup> F. P. R. Brechling "The Relationship Between Output and Employment", Review of Economic Studies, July 1965, p. 187.

to produce a pay packet that is acceptable to both employer and employee."<sup>98</sup> Where hourly wage rates in a firm or an industry are relatively low it is argued that overtime has been permitted or encouraged to ensure a satisfactory level of earnings for the individuals concerned. There is a considerable amount of evidence to support this theory.

171. Clegg pointed out that the industries in which the highest levels of overtime were worked were all industries with below-average hourly earnings.<sup>99</sup> Similarly the industries with the highest average hourly earnings all tended to have hours of work below the average for the whole of British industry. Those who work long hours are paid premium rates for a higher proportion of their hours than those who work shorter hours. This ought to push up the hourly earnings of those doing a lot of overtime but the relationships which emerge from the earnings and hours statistics show that in spite of the hours they work those in the high overtime industries are not able to raise their average hourly earnings to the national average. The relationship between average earnings and overtime is more marked at the extremes than over the whole range of earnings and hours. As Roberts and Hirsch<sup>100</sup> have pointed out, a partial correlation of average weekly hours worked and average hourly earnings among men in industries covered by each of the Ministry of Labour's earnings surveys in April, suggests only a weak negative relationship. Such a relationship does exist, however, and as Table 8 in Chapter Three indicates, a similar relationship emerges between earnings and hours in particular occupations.

172. The fact that payments by results workers tend to work less overtime than timeworkers has been noted by almost all of those who have examined hours of work questions. This fact is illustrated clearly in Table 11 above in which the payment by results workers are shown to perform less overtime than their timeworking counterparts in the same industry and occupation. This certainly suggests that overtime may be being used either by employers or employees to provide a satisfactory pay packet.

173. In addition to the relationship between inter-industry and inter-occupational differences in earnings and overtime and between overtime worked and method of payment it can also be shown that in those industries where earnings increase relatively slowly there are relatively large increases in overtime. Phelps Brown and Browne have examined the relationship between changes in earnings and changes in employment in 132 industries identified in the Ministry of Labour's earnings and hours enquiries between 1948 and 1959.<sup>101</sup> The earnings changes they reported can be compared with changes in hours worked between the same dates which spanned a period of virtually no change in normal hours. Hourly earnings in all the industries covered rose by 82.8 per cent. Of those industries with a lower than average increase in earnings 62 per cent had a greater than average increase in hours worked. Moreover of the 30 industries showing the largest increase in earnings 60 per cent had a relatively small increase in hours. Thus the increase in overtime was higher in those industries with relatively small increases in

<sup>98</sup> H. A. Clegg "Implications of the Shorter Working Week for Management" British Institute of Management. Occasional Paper No. 8, 1962.

<sup>99</sup> Average hourly earnings are not the same as hourly wage rates but they are the best available indicator of such rates in a wide range of industries.

<sup>100</sup> Roberts and Hirsch, *op. cit.*, p. 123.

<sup>101</sup> E. H. Phelps Brown and N. H. Browne "Earnings in Industries of the United Kingdom". Economic Journal, Vol. LXXII, No. 287, September 1962.

hourly earnings than in those with relatively large earnings increases. This would again lend weight to the contention that actual overtime worked is to a very large extent determined by relative pay factors.

174. In the course of visiting factories to discuss overtime working the author came across one clear example of a firm consciously deciding to use overtime as a means of giving a specific group of workers a pay increase. The background to the problem was that there was a considerable seasonal fluctuation in the supply of the perishable materials to be processed in the factory. It was expected that in a few years' time the development of new products with a different seasonal pattern would counteract the existing fluctuations. In the meantime however, the 90 men in the production department were likely to have summer earnings at least £4 per week below their winter averages. Fearing that these men would leave in the summer and not be available when required in the winter the firm was looking for a device to pay more without more output to a selected group of people for certain periods of the year. They considered increasing various items contributing to the pay packets, e.g. changing the basic rate, job rate or shift rate, introducing a bonus scheme or staff status with an annual salary including compensatory payments for overtime. All of these were rejected on the grounds that either they would not be sufficiently selective or would contravene the industry's collective agreement or would lead to others demanding the same or compensatory increases. The solution adopted was a classic example of what has been called "policy overtime" and involved allowing the men to work on one Sunday in three during the summer period. The grounds for choosing Sunday were that if they were bringing in men merely to maintain their earnings it was preferable to bring them in for less hours at double time.

175. This example is illustrative of a number of features of overtime working which are difficult to quantify but which are nevertheless extremely relevant to a clear understanding of the overtime problem in Britain. First the "policy overtime" was required to compensate for seasonal fluctuations in earnings which would result if the overtime worked reflected the real needs of the situation. This would suggest that overtime is not the flexible instrument it is often made out to be and that anyone working out the cost of achieving a given objective by overtime should also consider the cost of having to maintain it or to allow others to work it when it is less necessary.

176. Secondly overtime can be used as an alternative to wage rate increases or productivity bonuses in circumstances where a firm feels that an employers' association's agreement or a national incomes policy restricts its ability to grant a straight wage increase. This means that overtime earnings should not be ignored in considering pay comparisons between industries and occupations. It is difficult to say what weight should be given to overtime earnings in these comparisons but it should certainly not be zero.

177. Thirdly, the arrangement described in the example involved a conscious decision to encourage people to go to work to do nothing. Where overtime is being used either by employers or by employees to bring about particular changes in earnings at best, neither will have the incentive to see that production is achieved in the most efficient way, and at worst there will be positive encouragement to waste time at work.

178. The interpretation of the relationships discussed in this section requires some care. The fact that it is the unskilled and the lowest paid that work most overtime may reflect a number of situations. First, employers may offer overtime to everyone, but it is only those whom they least want to work it that respond. Secondly, they may deliberately depress the wage rates of certain groups of workers to encourage them to work longer hours. Thirdly, it could also be that the lower paid work during normal hours in such a way as to encourage employers to offer them overtime. Fourthly, it could be that employers offer or allow overtime among the lower paid workers to produce acceptable pay packets. If it is the first or third situation that is reflected in the observed patterns then overtime will certainly not be achieving the functions expected of it by management. If it is the second, then those employees who use it as a means of increasing their earnings will not be acting in their best long run interests. If it is the fourth, then employees will be prolonging their disadvantageous position on wage rates and employers will be encouraging inefficient working practices. Thus whatever the interpretation of the observed relationship between hours of overtime worked and hourly earnings one or both parties will probably be failing to achieve their objectives.

#### D. SUMMARY

179. The evidence discussed in this Chapter lends considerable weight to the arguments of those who claim that overtime is not fulfilling the functions claimed for it. Emergency overtime is the only type that can be called technically necessary. Only very short term unpredictable fluctuations in workloads actually necessitate overtime. The greater the predictability of fluctuations the easier it is to meet them without overtime. Very few empirical studies are relevant to the question of what would happen to output in the event of a major cut in overtime. In over half of the studies that have been made, however, hours cuts have not been accompanied by falls in output.

180. There is considerable evidence that actual patterns of overtime working are considerably influenced by relative pay factors. Overtime is highest in those industries with low average hourly earnings. It grows fastest in those industries with below average increases in earnings. Within industries overtime is highest in the lowest paid occupations and among those workers not on incentive schemes which would enable them to increase their earnings in normal hours. Practically every interpretation of the relationship between pay and overtime would suggest that overtime is not being used in a way that would be reflected in the production figures. Indeed some interpretations supported by specific evidence would suggest that overtime encourages people to waste time at work. Given that this is the case, it is necessary to consider what if anything can be done to eliminate overtime.

## CHAPTER SEVEN

### IS OVERTIME INEVITABLE?

181. Even among the increasing numbers who recognise the weakness of the social and economic arguments for overtime, there are many who feel that the forces of the workplace are such that nothing can be done to control or reduce it. The object of this Chapter is to show that this is an untenable position. The experience of other countries and of some important firms and industries in this country all suggest that there are efficient ways of reducing and controlling overtime work. The Chapter therefore begins with an account of the position in the Netherlands, where successful attempts to control overtime by government action have operated for some time. It then turns to a consideration of the results of a series of case studies undertaken by the author, and evidence supplied to the Royal Commission by a number of companies.

#### A. A COMPARISON WITH THE NETHERLANDS

182. Developments in the Netherlands are of particular interest for several reasons. First, they can be readily compared with those in Britain because the statistics are collected and tabulated on a similar basis in both countries. Secondly, the labour market in the Netherlands, has, if anything, been tighter than in Britain since the mid-1950s, so one would certainly expect to find strong management pressures for overtime in the Netherlands. Thirdly, at the time of the author's visit to the Netherlands in 1963 the latest collective agreements reducing the working week in Dutch industry had more or less coincided with the reduction from 44 to 42 hours in Britain.

183. Columns 5 and 6 of Table 13 show that over the period 1958-61, when the standard week was lowered by approximately three hours in the Netherlands, there was a fall in actual hours worked in every industry group. The overall reduction was 2·1 hours. Over the same period in Britain, on the other hand, normal hours were reduced by about 2 per week but the hours of two groups of workers actually increased and the overall average fell by only 0·3 hours.

184. In part, the explanation is that there were longer standard hours in the Netherlands than in Britain. However, this is not a convincing explanation of differences in overtime in 1961 when standard hours were still longer in the Netherlands. Columns 1 and 2 of Table 13 show that actual hours worked in October 1961 were on average higher in Britain in 7 of the 11 industry groups, as well as in the 11 groups taken as a whole. Therefore, even with the same standard week British overtime would have been greater. An important feature is undoubtedly the legal restriction on hours of work in the Netherlands. Under the Labour Law of 1919, hours of work are restricted to eight and a half a day and 48 per week.

TABLE 13  
NETHERLANDS AND THE UNITED KINGDOM  
COMPARISON OF HOURS OF WORK OF ADULT MALES BY INDUSTRY GROUP

	October 1961 Actual Hours Worked		October 1961 Excess of Standard		Change in Actual Hours Worked October 1958 to October 1961	
	Netherlands (1)	U.K. (2)	Netherlands (3)	U.K.* (4)	Netherlands† (5)	U.K.‡ (6)
Earthenware, Glass, etc.	... ... ...	47.2 47.1 ...	49.3 46.7 2.2	7.2 4.6 ...	-2.3 -1.6 -	-0.1 -0.1 +
Paper and Printing	... ... ...	48.8 45.9 ...	49.4 46.8 0.9	7.3 4.7 ...	-1.6 -2.5 -	+0.4 -1.1 -
Building	... ... ...	47.2 46.7 ...	46.7 43.7 1.7	4.6 1.6 ...	-2.0 -2.3 -	-0.7 -0.6 -
Chemicals	... ... ...	46.7 46.7 ...	46.7 43.7 1.2	4.6 1.6 ...	-2.3 -2.1 -	-0.3 -0.3 -
Wood, Cork, etc.	... ... ...	46.7 46.7 ...	46.7 43.7 1.2	4.6 1.6 ...	-2.1 -2.1 -	-0.3 -0.3 -
Clothing, etc.	... ... ...	46.2 46.2 ...	46.7 46.7 1.2	4.6 4.6 ...	n.a. n.a. -	+1.2 +0.3 -
Leather, etc.	... ... ...	42.6 42.6 ...	50.2 46.3 1.8	8.2 4.3 ...	-1.9 -2.0 -	-0.3 -0.7 -
Mining	... ... ...	46.8 44.9 ...	46.6 44.9 2.8	4.5 4.5 6.4	-1.5 -1.5 -	-0.6 -0.6 -
Metals (including Engineering)¶	... ... ...	47.8 47.8 ...	48.5 47.8 1.9	5.3	-2.1	-0.3
Textiles	... ... ...	46.9 46.9 ...	47.4			
Food	...	...				
Total	...	...				

\* Assuming a standard for all industries of 42.1 for 1961 (see Table 1).

† 1958 Netherlands' figures include young male workers along with adults.

‡ United Kingdom figures exclude coal mining.

|| 1958 United Kingdom figures are based on 1948 SIC; the 1961 figures on that of 1958.

¶ Principal industries including some non-manufacturing.

|| In these cases the groups were not exactly comparable and the figure given is an unweighted average of several groups.

These hours have to be worked within certain specified times, and a schedule of working hours has to be presented to the office of the labour inspectorate for its approval. Any deviation from this schedule requires the authority of the inspectorate who thus have the power to exercise a fairly strict control on overtime working. As the nominal week established in collective agreements is 45 hours and the law allows 48, it might seem that three hours of overtime could be worked without the need for permits. However, the 45-hour week is also one of five days and thus involves a breach of the eight and a half hour day provision.

185. The labour inspectorate in general allows this breach only on the understanding that no hours are worked on Saturday and that scheduled hours do not exceed 45. As a permit is required for all hours worked in addition to scheduled hours the labour inspectorate has been able to use its powers in such a way as to ensure that a permit is required for all hours worked in excess of the new level established by collective agreements. Thus the powers of the labour inspectorate to limit overtime have remained even though the normal week established in the collective agreements is less than the legal maximum. In both 1958 and 1961 either the weekly or the daily hours exceeded the maximum, which in the absence of evasions suggests that the labour inspectorate issue permits for overtime to be used in genuine emergencies or to meet occasional production peaks. They do not, however, permit it on the extensive and systematic scale that operates in Britain. The effect of this has been to ensure that reductions in hours contained in collective agreements have effectively reduced actual working hours in the Netherlands whereas in Britain they have occasioned the growth of overtime.

186. Legal restrictions are not the sole explanation of the Dutch experience compared with that in Britain. As with all legislation, its value depends on the way it is administered, accepted or enforced. Some firms do ignore the provisions of the law and much freedom is given to certain industries (e.g. building), which are experiencing abnormally heavy demands. Nevertheless the figures in Table 13 suggest that collective agreements have a greater effect on hours actually worked where there is legislation regulating actual hours of work. Why, then, is the legislation successful? Tradition probably plays a part. So does the enforcement of the law by ordinary courts and even by policemen to an extent which is quite amazing to one accustomed only to the British system of industrial relations. The legislation is, however, accepted by employers and trade unionists alike. No attempt appears to have been made to lessen the restrictions, and many firms work well within the limits open to them. In one firm visited by the author, permits were held for 10 per cent of the labour force of 20,000 to work overtime in any week during 1962 and early 1963, but in fact less than 5 per cent actually did so. In none of the 22 plants covered by this firm did 10 per cent of the labour force work overtime in any one week examined. In this firm and in all others visited, managements seemed to accept that in general overtime was both wrong and inefficient. How far this belief was engendered by the legislation is hard to say, but there is no doubt that it now explains the effectiveness of the regulations and the fact that real reductions in hours of work can be effected.

## B. CASE STUDIES IN BRITAIN AND EVIDENCE TO THE ROYAL COMMISSION

187. It was pointed out in the introduction that apart from the Fawley experiment the author was able to examine in detail four other attempts to reduce overtime. The two most important and widespread attempts occurred in the Engineering Department of the Post Office, but others were discovered in two private firms, one in food processing and one in road transport. These examples were examined to help in answering three questions: first, how did management come to challenge the inevitability of overtime? Second, what techniques did they use to reduce it? Third, how successful were they in getting their proposals accepted and introduced?

188. As has been stated the field work for these case studies was undertaken between 1961 and 1963. However, since that time a number of additional instances where management tried to reduce overtime have come to light. A number of the companies involved submitted evidence to the Royal Commission, and in three cases it was possible to use this evidence to answer some of the questions posed above.

189. By making use of both kinds of material it has been possible to compile a list of eight instances where attempts were made to reduce overtime working. The rest of this Chapter consists of a short account of each of them in the following order:—

- (a) Esso's Fawley Refinery;
- (b) Post Office Engineering Department One;
- (c) Post Office Engineering Department Two;
- (d) Food Processing Company "A";
- (e) Road Transport Company "B";
- (f) Staff Status Agreements in Electricity Supply;
- (g) Mobil Oil;
- (h) British Oxygen.

### (i) *Esso's Fawley Refinery*

190. The Fawley productivity agreements have been discussed in full by Allan Flanders.<sup>122</sup> Certain aspects of the Fawley story are, however, of considerable relevance to the points being made in this Chapter and their relevance is none the less for their familiarity.

191. The first stimulus to change seems to have reached Fawley in 1956 with directives from the parent company in the United States (Standard Oil of New Jersey) relating to manpower economies.<sup>123</sup> This was followed by the appointment of a firm of management consultants (also from America). In November 1958 the consultants produced a memorandum on manpower economies in the Maintenance and Construction Department. Central to this memorandum was the theme that by re-organising working practices and by granting a substantial increase in basic wages Fawley management could achieve a quite substantial reduction in the level of overtime working.

<sup>122</sup> Allan Flanders, "The Fawley Productivity Agreements", Faber and Faber, 1964. The section which follows owes much to Mr. Flander's book but parts at least result from the author's own series of visits to the refinery while a research student, and the interpretation may not in all cases agree with Mr. Flanders.

<sup>123</sup> Under the same stimulus one of the United States' refineries cut its overtime from 8·0 per cent. to 0·8 per cent. of normal hours between 1957 and 1960.

192. Just before the production of this memorandum the craft unions had imposed an overtime embargo in support of a wage claim. In these circumstances management had an incentive to eliminate overtime—they had been shown their vulnerability to an embargo. Further they had gained little experience in handling jobs without overtime. The conviction developed that overtime could and must be eliminated. Once the decision had been taken the mechanics of implementing it were relatively simple.

193. The measures incorporated in what came to be called the Blue Book covered the whole refinery and when introduced were extremely effective in reducing the amount of overtime worked. In 1959 in the maintenance and construction department 18 per cent of all hours worked were overtime hours, in the first half of 1962 overtime represented only 6 per cent of normal hours.<sup>104</sup> In the process department the fall was from 15·5 per cent to 10·5 per cent. In the laboratories it was from 16 to 8 per cent and among security guards it was from 15 to 3 per cent.

194. The techniques used to achieve this reduction in overtime were set out in separate agreements which management reached with the Craft Union Committee and the Transport and General Workers' Union. The agreements were signed in July 1960 and included a number of provisions to obtain economies other than by reducing overtime but for present purposes it is only the overtime provisions that are important.

195. In the maintenance and construction department the heavy overtime had been justified on technical grounds. Large and expensive equipment is employed in an oil refinery and when whole plants have to be closed for general repair and maintenance a great effort is involved to get the plant into effective operation as quickly as possible. This leads to a back-log of routine maintenance and these factors together with emergencies were used to explain the high overtime prevailing before the agreements.

196. The function of the consultant was to ask, first, was the extra work involved in these situations really necessary and, secondly, could the extra work be achieved without recourse to overtime working? The answer to the first was that some of the coverage on the start-up following the major maintenance work was a result more of habit than real need. The answer to the second involved the development of several new techniques and an agreement that over a two year period maintenance and construction overtime could be reduced from 18 per cent of normal hours to 2 per cent. The agreement involved a staged reduction with a date set for each target which was also accompanied by a wage rate increase amounting to two shillings and sixpence an hour over the two year period.

197. The techniques evolved included first a small change involving the transfer of some routine plant maintenance work to the process workers who by the watching nature of their work were not fully occupied for the whole of their time. The agreement specified 16 such pieces of work. Secondly there were extensions and modifications to the shift systems operated. There had always been a maintenance and construction shift force but it had been employed "mainly on minor maintenance work". It was agreed that this force should be employed on important refinery-wide work and that this would involve extending it to include some additional occupations. In the

<sup>104</sup> The change in the base of these percentages, *viz.* from actual hours to normal hours would tend to underestimate the reduction between the two dates.

workshops where weather conditions, daylight hours, and process plant conditions are unimportant considerations in settling working hours, it was agreed to introduce a permanent five-day shift system. This was not a normal double day system but was to consist of a normal 7.45 a.m. to 4.30 p.m. day shift and a second shift from 2 p.m. to 10 p.m. carrying a 9d. an hour differential. Each individual in rotation was to work on the second shift for two successive weeks. Thus by providing a restricted coverage over 14½ hours it was hoped to offset the periodicity of demands on the maintenance workshops.

198. Thirdly, there was the introduction of a temporary two or three shift system on weekdays. Major additional work commitments were to be met not by overtime but by forming additional shifts from among the existing staff. These shifts took the usual pattern with changes at 6 a.m., 2 p.m. and 10 p.m. These additional shifts, which carried differentials of 6d., 9d. and 1s. an hour, were to be manned on a voluntary basis, but there was provision for a rota if insufficient volunteers were forthcoming. In these various ways cover was provided for all maintenance and construction work without the need for more than a minute amount of overtime.

199. In the process department the justifications put forward for overtime had in some cases been similar to those for the maintenance department. The consultant had said that much of the double cover provided when new plants were being introduced or old ones restarted was unnecessary. However, no way could be found of eliminating all of the overtime stemming from this source and the unofficial target level for process overtime, at 6 per cent, was higher than that for any other department.

200. The agreements covering the process department were much less specific than those covering maintenance and construction. They contained no target level for overtime, accepted that the complete elimination of overtime was not practicable, but agreed that every effort should be made to reduce it to the minimum. No stages were set but half yearly increases in wage rates were agreed.

201. Specific measures were, however, accepted so that certain types of overtime could be eliminated. Absences of staff in a continuously operating plant, as at Fawley, are usually covered by the men on the shifts on either side of the absentee, each working an additional half shift's overtime. To eliminate overtime emanating from this source the 1960 agreements introduced "substitute operators". These were trained to do the work of any of the operative grades—there being a senior operator substitute for the higher level work. Thus, at least in case of predictable absences, e.g. holidays, days in lieu of public holidays and prolonged sickness, a substitute operator was to be available to make overtime unnecessary. These operators could be required to change shifts at as little as four hours' notice and to compensate them for this and in recognition of their versatility a differential of 2s. 6d. a shift was granted.

202. These substitutes were also to be used to cover another type of absence, created by the agreements and probably peculiar to Fawley. These absences known as "balance days" represent the refinery's solution to problems involved in granting the 40-hour week to continuous shift workers. While 42 divides exactly into the number of hours in a week 40 does not

Thus regular shift systems can be devised on the basis of a 42-hour week but not of a 40. In many cases this has resulted in a shift system based on an average 42 hours, but with the additional hours paid at overtime rates. The atmosphere at Fawley when the agreements were being drawn up would not permit this recognition of systematic overtime. The alternative adopted was to continue working a shift system giving an average 42-hour week over a month, but to compensate it by granting 13 balance days' leave per year which brought the average working week per year down to 40 hours.

203. As was shown earlier in this Chapter (para. 193), overtime in the process department was not reduced to the same extent as elsewhere and by the final phase of the programme in 1962 it had not reached the unofficial target of 6 per cent. A number of factors may have contributed to this. First the continued expansion of the refinery has increased the number of new plants on which double cover for start-ups is provided. Secondly, the training of new and of substitute operators involved a period of overtime. Thirdly, the whole operation was less specific than for the other departments. There was never an agreed overtime reduction target to which both parties were committed on paper. Finally, laxity in the policing of the agreements may also have played a part.<sup>105</sup>

204. One other department and one other job at Fawley merit consideration before passing to the important question of how the union and the men came to accept the very significant changes in working habits involved in the Blue Book Agreements. In the laboratory and technical department it was agreed that the ruling overtime percentage of 17 could be reduced to 4 over the two-year period. This was to be achieved by transferring routine testing work to process departments, streamlining the workforce by consolidating into three grades the thirteen previously existing, and by giving the chemist in charge of the shift the responsibility for authorising cover for absences in each particular case.

205. There were only seven chauffeurs at Fawley but the job had involved systematic overtime and hence it received specific attention. Chauffeurs are usually required before and after normal starting and finishing hours, hence in many circumstances they work a long day with considerable overtime. The agreement to eliminate overtime among these workers is worth quoting at length as it shows the seriousness with which the attempt to cut back overtime was pursued and the type of hours staggering device that can be used in such circumstances.

"Because of the times during which chauffeur-driver transport is required invariably extend beyond normal day hours and in order, therefore, to avoid the regular need to work overtime, it is agreed that a permanent overlapping five-day (Monday to Friday) three-shift system be introduced.

Shift hours will be as follows:—

Early shift	...	...	...	...	6.15 a.m.-2.15 p.m.
Normal shift	...	...	...	...	7.45 a.m.-4.30 p.m.
Late shift	...	...	...	...	1.45 p.m.-9.45 p.m.

Each man will work on each shift in turn for one month at a time."

<sup>105</sup> See para. 129 above.

206. The devices used in the various departments to reduce overtime were then frequently detailed and thorough. They often involved those concerned in considerable changes in the pattern of their working day. It is necessary therefore to consider how acceptance of these changes was obtained. The proposals discussed here were part of a very substantial change in working practice involving such things as intercraft flexibility and the abolition of craftsmen's mates. There was a no redundancy pledge which must have played a part so must the financial advantage to most of the workers concerned and the acceptance by management of the 40-hour working week. There were though other important factors at work. First, the combination of "2s. 6d. a hour increase and the 40-hour week" probably had a much greater impact on the thinking of both the men and their unions than a cold blooded financial calculation would merit.<sup>106</sup> Further, whatever may have been the effect on actual earnings, a craftsman could see himself being raised from the £800 a year class into the £1,000 a year category. This might suggest the working of a powerful inducement to accept change which is not measurable in terms of increased income or leisure.

207. Secondly, many of the men probably felt that in spite of the changed working arrangements management would not be able to cut overtime to the extent they hoped. In some cases this turned out to be true with the result that some workers received overtime earnings based on a rate which was designed to compensate them for lost earnings. Again it is impossible to measure the importance of this factor in gaining acceptance of the new working arrangements.

208. Thirdly, and here again measurement is impossible, there was the way in which the consultant formed the ideas and encouraged their discussion long before formal negotiations were begun. The process of persuasion was a long and difficult one but it is impossible to explain the acceptance of the changes considered here without some reference to the form it took.

209. In May 1961 after all the agreements discussed above had been operating for some time, earlier agreements were revised. They continued including the statement that the Trade Union confirms that every man will work a reasonable amount of overtime when called upon to do so, "it being recognised by both parties that this is essential both to carry on the operation of the refinery and to enable the Company to continue its policy of trying to maintain regular and permanent employment". It was just the degree to which overtime was essential to the running of the refinery that was called in question by the consultant and examined in detail in the months leading up to the 1960 agreements. These agreements and subsequent developments have revealed that overtime was far less essential than had previously been supposed.

#### (ii) Post Office Engineering Department I—1957

210. Before the Fawley challenge to the inevitability of overtime became widely known there had been two major challenges in the Engineering Department of the Post Office. These were made in December 1957 and July 1961. On both occasions the decision to cut overtime was taken by

<sup>106</sup> 2s. of this 2s. 6d. was as compensation for the expected loss in overtime earnings. An annual rate of increase of 3d. per hour sounds much less attractive.

the Engineering Labour Force Working Party, the decision followed economies in Government spending and other forces external to the industry also influenced the decisions. The role of the ELFWP was crucial and it is important to see how it came to be in a position to influence the levels of overtime working.

211. The Engineering Labour Force Working Party was set up in 1950 by the relevant Departmental Whitley Council. It is a joint body and its specific task in 1950 was to consider the detailed arrangements for allocating work to engineering staff to avoid redundancies resulting from restrictions in capital expenditure. At its early meetings it was concerned with problems other than overtime. Then in 1951 programmes to speed up telephone connections and the development of defence works were announced. Each involved some changes in the utilisation of engineering manpower by the Post Office and was discussed by the ELFWP. They decided that much of the extra effort should come first from making Saturday overtime available on one weekend in four for each man; and secondly from weekday overtime. In the process of discussing the new work the ELFWP became more than an *ad hoc* committee to discuss ways of avoiding redundancy, it became a body at the top of an important and widespread industry which was accepted as being competent to discuss major decisions on staffing policy and overtime working. In an organisation with clearly defined chains of command their discussions and decisions on these issues were always liable to lead to effective action.

212. From 1955 the ELFWP worked on the assumption of a steady growth in capital expenditure and both recruitment and hours of work were stepped up. Average hours per man week which had been 47·5 in June 1954 rose to 49·2 in June 1956 and in the first part of 1957 were at 48·9. Then in July 1957 sharp capital expenditure cuts were announced and the raising of telephone tariffs had a marked effect on the demand for new connections. In October further cuts were announced and moreover it became clear that the abolition of National Service meant that the Post Office would have more staff available in 1958-59 than it had expected when faced with the pre-cut work-load.

213. Faced with this situation the ELFWP agreed on a ban on recruitment in all areas—including those where it was recognised that permanent additions to staff were required. A few other minor changes including some redeployment between areas and jobs were discussed and adopted. In addition it was agreed to reduce substantially overtime working which had been running at an average of 5·2 hours a week or about 12 per cent of normal hours. In contrast to their previous discussions, the ELFWP set a definite target. The relevant passage in their third report in December 1957 read:

"We appreciate that local conditions may cause the level of overtime to be greater in some places than in others but the need is clearly for a flexible arrangement within the Regions and Areas. We accordingly recommend that overtime should be adjusted so as not to exceed an average of three hours a week in Areas".

214. Even after having taken these measures it was thought that considerable redundancies would become necessary during 1958 and 1959.

Further enquiries revealed that redundancies were unlikely to reach a tenth of the original estimates and in June 1958 the three hours' average was confirmed but it was agreed that it should be the average for a Region not an Area. The effect of widening the field to which the target was to be applied was to allow a slight increase in the national levels of overtime working, the difference being that men in some Areas could work more than the three hours average, thus offsetting those in Areas where little or no overtime was worked.

215. The effect of these measures was reflected in the figures for hours worked. Between December 1957 and June 1958 average hours worked across the country as a whole fell from 48·3 to 46·2. By June 1958 there was no Region in which average hours exceeded the normal by more than the three hours recommended as the Area target by the ELFWP. The author has not seen figures which would show if any Areas were in excess of their target levels. The slight relaxation of the control announced in June was reflected in a rise of 0·3 hours in the average for the country as a whole.

216. What is the evidence that these changes in working hours were in fact influenced by the ELFWP and not by the free operation of the factors they had to take into account in settling the target levels? First, the events of mid-1957 (i.e. the first round of expenditure cuts, the reduction in the demand for new connections and the decline in the number of staff in the forces) had not affected the overtime levels by the end of 1957. The substantial decline in overtime followed the December 1957 recommendations of the ELFWP. Secondly, when the ELFWP relaxed its restrictions in mid-1958 overtime began to increase even though there was no decrease in staffing levels nor any indication that restrictions on capital expenditure could be relaxed.

### (iii) Post Office Engineering Department II—1961

217. The 1961 reduction in Post Office engineering overtime again shows the importance of the ELFWP as an initiator of change. On this occasion their efforts were aided by the Post Office Engineering Union (POEU) who for negotiation purposes imposed a ban on voluntary overtime for a period of one month almost immediately following the ELFWP decision.

218. A further relaxation of the overtime restriction adopted in 1957 came in May 1959 when it was said that the Regional average for overtime should be approximately 10 per cent of normal hours. This was equivalent to 4·4 hours a week or to a week of 48·4, although the number of hours was nowhere specifically mentioned. With the reduction in normal hours to 42 in March 1960 a week of 48·4 hours would have involved overtime at 15 per cent of normal hours. A reduction of over two hours per week was required to restore the 10 per cent target. In fact, up to the middle of 1961 the national average percentage of overtime working was always in excess of the maximum permissible regional average. Except for one quarter following the cut in normal hours, there was always one Region at least five percentage points in excess of the target. Indeed, in July 1961 only two of the 10 Regions had an overtime level within the target.

219. As in 1957 the decision to do anything about the overtime levels was precipitated by demand conditions. During discussions on capital investment it became clear that there would be no additional funds for regional investment. All additional money would be specifically designated for increasing the mechanisation of the telephone service and was not of importance in drawing up Regional works programmes. Then, in July new tariffs were announced and the demand for new connections which had been running at about 45,000 per month fell to 25,000 in August.

220. In accordance with the union's official policy the POEU were continually commenting on the high overtime percentage. At an informal meeting in July 1961 they made much play of the fact that their members had criticised them in 1959 for allowing the target level for overtime to be increased to 10 per cent and yet overtime was currently running very much higher than that figure. The official side expressed similar concern and said that every effort would be made to get the Regions to correct the situation. In October 1961 a formal meeting of the ELFWP recommended that overtime should be reduced for the remainder of the financial year to give an average of 4·2 hours a week. In the meantime in pursuance of a wage claim the POEU had taken more direct action. They called for a national ban on voluntary overtime. This call came in early July and followed unofficial bans operated by several branches, most of which were in the London area. The ban operated from 8th August to 2nd September 1961.

221. The effects of these various measures were reflected in the movement of hours shown in Table 14. The most obvious thing shown by the Table is that the outcome of the July meeting of the ELFWP plus the POEU ban on voluntary overtime cut deeply into the overtime levels of the two periods covering August and September 1961. The ban ran almost throughout August and each of the periods it affected included normal weeks, so that the Table does not give a true measure of the impact it had on overtime. An enquiry by the union led to 174 branches reporting support for the ban by over 90 per cent of their members, and only eight reporting no support at all.

222. An examination of the overtime percentages in the 59 Areas of the Engineering Department revealed that in 24 of them in one of the periods covered by the ban overtime was seven or more percentage points down on the period immediately preceding the ban. In 21 Areas the fall was between 4 and 6 points and in 12 it was from zero to 3. In one Area there was an increase in overtime and in another no change. In the "no change" Area overtime had previously been very high (17 to 18 per cent) and the branch secretary of the union reported a minimum response to the ban.

223. Immediately following the ban overtime picked up but not to levels which had been operating prior to the ban, and during 1962 levels fell back to those experienced during the ban. This must in part have been due to the implementation of the ELFWP's recommendations but there was probably also some backwash from the ban. During the ban there is considerable evidence that having been forced to face a "no overtime situation" the unions and the official side made arrangements at the local level which enabled work to be done. Branch secretaries' reports to union headquarters

TABLE 14  
AVERAGE Hours Worked AND OVERTIME IN THE POST OFFICE ENGINEERING DEPARTMENT—1961-2

Period†	Average Hours per Week	Overtime Hours as a Percentage of Normal Hours	Maximum Overtime Percentage in any Region	Minimum Overtime Percentage in any Region	Number of Regions not exceeding Target Overtime
Quarter ended June 1961	47.2	12.4	15.0	9.0	2
July-August	47.6	13.3	15.7	9.0	2
August-September	45.7	8.8	10.7	5.0	8
September-October	45.3	7.8	9.3	4.5	9
October-November	46.8	11.4	19.5*	9.5	3
November-December	46.9	11.7	14.0	8.1	2
December-January 1962	46.7	11.2	12.4	8.1	2
January-February	46.3	10.2	11.2	7.4	3
February-March	47.0	11.9	14.8	6.2	2
March-April	46.8	11.4	13.9	6.2	5
April-May	46.0	9.5	12.1	5.5	7
May-June	46.1	9.8	12.1	6	6
June-July	45.5	8.3	10.1	4.8	8
July-August	45.7	8.8	11.2	5.5	6
August-September	45.3	7.8	9.9	5.5	9
September-October	45.3	7.8	9.9	5.5	9

Northern Ireland: other areas 13-9.

\* Northern areas; others were 15<sup>0</sup>.  
† Periods unless otherwise indicated are of four or five weeks' duration and end on the penultimate Friday of a cash account period; the cash account period ending on the first Saturday in each month. Thus the periods including the ban ran from 21st July to 17th August and from 18th August to 21st September. In the table they appear as "August-September" and "September-October" respectively which is the way they appear in the Post Office Engineering Department's records.

described some of the techniques for avoiding overtime. They included the following examples:—

- (i) An agreement was reached with the Telephone Manager involving considerable reorganisation of work to eliminate overtime, e.g. 12-hour shifts were cut to eight.
- (ii) In order to obtain the flexibility of hours needed to cover duties concerned with television interference it was agreed that two late shifts be worked each week.
- (iii) The Telephone Manager was co-operative. He took away the power of decisive action from first line supervisors and gave it to the executive engineer. This stopped all avoidable voluntary overtime.
- (iv) At a major works stores depot watchmen are employed from 7 p.m.-7.30 a.m. This means that the engineering staff remain on duty till 7 p.m. in the week and do a 12-hour Saturday and Sunday. They continued to do this but took time in lieu. Similarly, locking-up duties were treated in the same way. All this means is that hours were staggered.
- (v) The Department brought in shift duties to overcome their difficulties whilst still keeping within the 42-hour week agreed upon.
- (vi) Each man's lunch break was increased from half an hour to one hour so that he finished the day half an hour later. Cleaning and greasing of vehicles was to be performed in normal hours rather than in overtime.
- (vii) There appeared to be a normal output of work even though the normal quarter of an hour every morning and evening for garaging vans was withdrawn.
- (viii) In the case of officers receiving small amounts of daily overtime, e.g. for garaging vehicles, serving petrol and so on, the branch was able to have the officers' hours changed to avoid overtime. Whilst this did not stop their normal duties being done, it did mean that their normal duty was receiving less of their time.

224. These examples show numerous instances of the official side, with union co-operation in some cases, re-organising working schedules so that duties which had been performed in overtime hours were performed as part of the normal week. These events demonstrated that overtime was not as essential or inevitable as had previously been supposed. Some Branch Secretaries saw the implications of this:

"Only our members suffered".

"Region saved a lot of money because of the ban".

"We should have imposed a work to rule as the Department would not then be able to profit from the experience of the ban as it is likely to do". In at least one district prior agreement was reached preventing the continuance of practices developed during the ban, "everything should return to normal when the ban is over and no use should be made of it to economise in day-to-day working by the Department".

Others were not so far sighted.

"The Area Manager has now stopped certain members doing [a particular job] on overtime as he says that it ran so smoothly during the ban that he feels that it is not justified".

225. It would certainly seem that this is a clear example of management at the local level learning from having to face the question of how to get work done without overtime. Many branch secretaries attributed falls in overtime following the ban to experience gained during it. Some support for their views can be drawn from the fact that those Areas which experienced the largest reductions in overtime during the ban on the whole had larger reductions from pre-ban levels to post-ban levels. Furthermore, in the longer run the levels at which overtime settled in 1962 were in most cases within one or two percentage points of the levels reached during the ban. This would certainly suggest that the ban by the POEU reinforced the recommendation of the ELF WP that overtime should be cut back from its 1961 levels, and ensured that this objective was effectively achieved.

(iv) *Company "A" Food Processing*

226. The three examples of attacks on overtime so far discussed have involved factory- or industry-wide assaults, the implementation of which has involved detailed and significant changes in working methods. In the example now to be considered the assault was on one department and the techniques used were extremely simple but nevertheless effective. Firm "A" has a highly mechanised plant which in view of the nature of the food being processed has to be operated for long periods. It is not quite a continuously operating process as it is possible to shut down at weekends. However, the plant was running for 131 hours a week at the time of the study. This was six hours fewer than before the 40 hour week was introduced in October 1960. In such circumstances the maintenance department was not only one of the largest departments, but also one of the most important and highly paid. The maintenance workforce was essentially a day working group with no bonus schemes. A few maintenance men were attached to the shifts but they were an insignificant proportion of the 200 or so maintenance workers. In these circumstances it was not surprising to find overtime running at an average of seven and a half hours per man per week in the first quarter of 1961. This level was equivalent to 20 per cent of normal hours, approximately twice that in any other department and far in excess of the 1 to 2 per cent in the production department.

227. In theory there had been a scheme of planned maintenance in this firm for five to six years. Prior to this, the effort had been made to get all machines into running order to start the week's production. When towards the end of each week some fell out of use and others needed repairing there was a heavy concentration of work for the maintenance department. Gradually this system was improved, production was spread more evenly over the week and machines could be withdrawn from operation on any day in order to maintain them. This was not sufficient however to eliminate overtime working which, as shown above, was running at 20 per cent early in 1961. By December 1961 this figure had been halved. How was this achieved?

228. In September or October of each year each department in this firm had to submit a budget for the following year. This budget was vetted by the General Manager, the Works Accountant and the Production Planning Manager. In 1961, however, the firm had a new Chairman, who

asked for the budgets earlier and hence saw them in their unvetted form. The maintenance department was asking for extra men and for more overtime. Disturbed by this, the Chairman ordered an investigation into the hours of work of the maintenance department.

229. It seems that once the question was raised, the technical problems which had been used to justify overtime were not hard to solve. Although planned maintenance had enabled plant to be withdrawn for servicing during normal working hours, any uncompleted maintenance had been done at weekends. To eliminate this type of overtime the order was given that there was to be no deadline for the completion of plant maintenance. Work not done in one week could be carried over into the next. Associated with this was the stricter use of a weekly budget control. The General Manager was to tell the Maintenance Manager how much he might spend on overtime payments on any weekend. These methods did not completely eliminate weekend maintenance overtime but they brought the situation under much greater control and succeeded in halving overtime in a very short time.

230. The personnel problems were considerably less simple. The chief engineer claimed that he would lose half of his staff if overtime was cut in the way suggested. In spite of these objections the programme was put into operation without any compensatory increase in pay and there is no evidence of anyone having changed jobs because of this. Part of the explanation of this is that the cut in overtime happened to coincide with an extension of staff privileges to certain manual workers. Apart from releasing those concerned from the obligation to clock in and entitling them to one month's notice of termination of contract, appointment to the new grade also involved a 10 per cent bonus. The personnel manager claimed that partly as a result of this no one was "feeling the pinch" in their pay packets. However, about 40 per cent of those affected by the overtime cut were not covered by the staff status scheme and in any case a 10 per cent bonus would not have completely offset the reduction in overtime payments. Many people lost £2 a week or more as a result of the overtime cut.

231. The maintenance shop convener when interviewed by the author said at one point: "I don't deny that some of the boys' earnings are suffering from this reduction in overtime". The form of this statement suggests that he was having to defend management policy in the workshops. In fact, it later transpired that he had been faced with a "round robin" calling for a meeting with management to discuss a number of issues including the overtime cut. Nothing came of the "round robin" partly because the convener threatened to resign if pressed to ask management for more overtime. All this would seem to indicate that the reduction in overtime was not achieved without arousing some discontent among those affected.

232. That this discontent did not lead to an explosion nor to widespread job transfers still needs some explanation. An important factor seems to have been the high level of base rates compared with other plants in the area. They appear to have been some two shillings an hour more for the skilled maintenance man than in nearby works. Thus, earnings remained relatively high for the area even after the substantial reduction in overtime, which was effectively achieved by ceasing to make it available to men or their supervisors.

(v) *Company "B" Road Transport*

233. The case studies so far mentioned have been concerned with eliminating overtime which had previously been justified mainly in terms of technical factors. This is not to say that all the overtime was due to technical factors nor that its elimination was achieved solely by finding new techniques of work organisation. Some of it was patently not due to technical factors and stricter supervision was often an important factor in its control. At Fawley also there was a weakening of any financial incentive to create overtime. In the case now to be considered one assumption underlying the proposals is that overtime on occasion is the result of employees stretching out their work in order to be sure of overtime earnings; and the technique involved is the consolidation of these earnings into a high guaranteed salary in return for the undertaking to work a set number of overtime hours without payment as the need arises.

234. The concern to be considered is an operating group within a large company. In 1958 the parent company carried out a detailed examination of its wages structure. Having discussed the advantages and disadvantages of overtime working it concluded that, particularly in view of the company's experience in its plants in other countries, it was hard to see the justification for the levels of overtime being worked in its UK plants. The report which embodied this conclusion specifically recommended the reduction of overtime only as a subsidiary to a recommendation on shift payments but the whole tone of the relevant sections would give the operating companies additional cause to consider their levels of overtime.

235. One of these companies, to be referred to as company "B", had been considering its overtime position quite independently of the discussions within the parent company. Company "B" operated in the field of the distribution of goods by road to retail and wholesale outlets. The average hours actually worked in the company by all manual employees in 1958 and 1959 were less than those for the road haulage industry as a whole, but still involved an average of eight or nine hours of overtime a week.

236. Direct supervision of drivers is difficult and while it is now increasingly possible to measure a driver's performance and to make checks in cases where journeys and deliveries appear to have taken a long time, it remains true that a driver has the opportunity to make a journey spread into overtime hours. The techniques of control developed by management have improved but certainly at the time of the experiment being considered problems of supervision made the control of overtime among road transport workers very difficult.

237. In addition to these problems, which are perhaps peculiar to the road haulage industry, Company "B" was concerned about overtime as a cause of conflict. They recognised that their staff both in the warehouses and on the road were not always eager to accept changes in working methods which might reduce their overtime earnings. Moreover they were concerned to iron out fluctuations in earnings resulting from factors over which neither the individuals nor the company had any control. Such fluctuations could not be taken into account in the calculation of holiday, sickness or pension payments in building societies' mortgage rules.

238. In the light of these factors, late in 1959 it was decided that all manual staff, excluding canteen attendants and cleaners, were to be paid a consolidated rate irrespective of the actual hours they worked on weekdays in any one week up to an agreed limit. The consolidation payment and the limit beyond which no one would be expected to work without additional payment were calculated on the basis of overtime hours worked up to the time of the agreement.

239. The size of the payment and the number of consolidated hours were determined separately for three different groups in relation to differences in the amount of overtime previously worked. Day-working drivers and warehousemen were each to receive their basic wage for a 44-hour week and a consolidation payment related to about 10 hours at overtime rates. Night workers received their basic pay plus a night allowance and a consolidation payment related to about 3 hours at overtime rates.

240. The consolidated rate was to be paid during sickness and holiday periods as well as for any week in which less than the consolidated number of hours were worked. The day consolidated rate was also to be the rate used in the calculation of pension entitlements.<sup>107</sup> However, the whole scheme was based on the proviso that all staff would work up to their consolidated level of overtime as and when the workload demanded it. When exceptional work loads demanded additional hours, they could be worked but only on the specific authority of the senior field manager on each separate occasion. Thus the scheme included an element of increased supervision to eliminate overtime as well as removing the financial incentive for its creation.

241. It is not possible to isolate the effect of the scheme on hours actually worked in detail as comparisons are blurred by other changes in working methods and by cyclical factors. For example, the increase in the proportion of night workers tends to reduce the overall average of hours worked in the company. However, since the scheme was introduced average hours in the company have fallen by about six whilst basic negotiated hours have fallen by four. Thus, although at certain peak times, as in April 1966 when average hours exceeded the standard by 9·0 a week (a level similar to that preceding the agreement), there would appear to have been some cutback in the overtime levels in Company "B" since the consolidation scheme was introduced. This fact is more significant in comparison with movements in hours of work in the road haulage industry as a whole over the same period. In the industry normal hours have fallen by about four but actual hours have remained fairly constant at about 56 a week, which implies a level of overtime some two and a half times that generally operating in Company "B" with its consolidation scheme.

242. Company "B" was among the first companies to attempt a limitation of overtime and in the context of their industry the consolidation scheme appears to have been effective. Other examples of such schemes have been discussed from time to time in companies visited by the author. In a more general context such schemes appear to have certain limitations.

<sup>107</sup> Only weekday work entered the calculations, however. To minimise the chances of a driver working fewer than his consolidated hours but still getting some pay at overtime rates a further proviso was added. It was stated that there would be no regular weekend duties but that any that were performed would be paid at overtime rates. All such working had to be specifically authorised by the senior field manager.

These limitations are all linked to the fact that both management and staff recognise that a part of the staff's salary is being paid in return for an undertaking to work a specified number of hours of overtime as work requirements demand. In these circumstances the staff have every incentive to get their work done in the fewest number of hours but management has little incentive, other than the need to provide leisure time in the interests of good industrial relations, to organise work in such a way as to see that it is completed in less than the consolidated level of hours. Indeed it could be argued that there was an incentive to management to limit manning levels and to increase the workload to utilise as many as possible of the hours they are paying for. If managers did respond in this way the result would be an entrenchment of a system of long hours giving an effective increase in the length of the normal working week. The new situation would in some respects be worse than the old, as the extra hours would be less voluntary. There is a considerable difference between the requirement to perform a "reasonable amount of overtime" and the obligation to work up to the consolidated number of hours.

243. In Company "B" manning levels were in fact calculated on the assumption that consolidated hours would be worked at least occasionally.<sup>108</sup> However, the central management of the company were concerned to see that field managers arranged their operations in such a way as to ensure that consolidated hours were only worked at peak times, and, as was shown above, they have succeeded in limiting overtime in face of reductions in normal hours to a far greater extent than other sectors of the road haulage industry.

244. The cases so far discussed all occurred before mid-1963. What has happened since then? For an answer to this it is necessary to examine some evidence placed before the Royal Commission on Trade Unions and Employers' Associations. The most important examples of attempts to reduce overtime which have occurred since the author completed his field studies, and on which the Royal Commission received evidence, relate to the Electricity Supply Industry, to the Mobil Oil Company and the British Oxygen Company's Gases Division. In many ways the problems faced by these organisations were similar. They each had high levels of overtime and a tradition of central negotiation of wages covering a large number of establishments with a fairly continuous line of management command in each organisation. With all three central management specifically set out to eliminate unnecessary overtime and used the central negotiating machinery to produce what might be called "framework agreements". These agreements varied in the extent to which they specified the arrangements required but they all left it to the local negotiating machinery to work out the detailed changes needed to achieve the stated objectives. In these circumstances it is important to consider what devices were included in the framework agreements and the extent to which the local machinery succeeded in reaching arrangements which successfully eliminated overtime.

<sup>108</sup> The document announcing the scheme said, "Depot strengths have been agreed at divisional depot management level as reasonable and are geared to normal tonnage throughputs and not to peaks and troughs.

*Due allowance has to be made for the fact that each man will be expected to work up to the consolidated amount of overtime when this is required as he will be paid for such hours regardless of the hours short worked during times of slackness."* (Author's italics)

(vi) *The Staff Status Agreements in the Electricity Supply Industry*

245. The Electricity Supply Industry includes the generation, transmission and distribution of electricity. Throughout the 1950s and early 1960s workers in this industry systematically worked hours far in excess of the negotiated standard and invariably in excess of the average in other industries. Between 1961 and 1964 the main negotiating body for the industry, the National Joint Industrial Council, considered proposals to reduce working hours substantially and to narrow the status differences between industrial and non-industrial employees. The negotiations broke down during 1964 and the unions imposed an overtime ban and a work to rule. The dispute led to a Court of Inquiry whose report<sup>109</sup> urged the parties to try to implement the status proposals in stages.

246. This recommendation was accepted and agreements were reached in three stages. Stage one, dating from July 1st, 1964, involved the introduction of annual salaries for industrial employees with sick pay provisions and "co-operation payments" of up to £80 a year. This was in return for a Joint Statement on Employee Co-operation. Stage two, dating from February 1965, dealt with provision for incidental overtime, revised shift working patterns, transitional personal payments, improved holiday entitlement and the 40 hour week. Its most important provision related to staggered working patterns. Stage three, the final stage, was agreed in September 1965, and made provision for the movement of maintenance staff between power stations and for a service increment.

247. The Electricity Council's evidence to the Royal Commission explained that the Joint Statement recognised that the annual salaries incorporated payments for employee co-operation with management to improve job efficiency along the lines indicated in the statement. Any definitions of duties which appeared to limit co-operation to obtain efficiency were deemed to be superseded by the statement. The Joint Statement which specified the objective of eliminating overtime working was to provide the background for detailed discussions at regional and local level of the changes in work organisation needed to raise efficiency. The discussions achieved agreement on detailed changes involving greater job flexibility and integration of work.

248. The agreement in stage two on staggered working patterns provided further guidance for the local discussions and probably represented the key to the agreements' effectiveness in reducing overtime. The Council said of staggered working :

"The essence of the staggered work pattern provisions is that they visualised the normal working hours of the day worker's week being shifted from the traditional hours (say Monday to Friday 7.30 to 4.30) to times which more closely fitted the work requirements of the Boards, the employee concerned being compensated for the inconvenience caused, but not being normally expected to work more than 42 (now 40) hours of the week. In an industry like electricity supply with its peaks and troughs of demand this had obvious advantages : it was expected to be particularly valuable in power station maintenance work much of which has to be done in the evening and at weekends (off-peak periods)."<sup>110</sup>

<sup>109</sup> Cmnd. 2361, May 1964.

<sup>110</sup> Royal Commission's Minutes of Evidence 21, p. 770, para. 17.

In other words they endeavoured to ensure that there was a clear match between the times when men were required and the times when the men worked their negotiated number of hours. The two most common types of stagger were staggered days and staggered hours. The former involved five or five and a half day working on an agreed rota spread over six or seven days a week. Workers on such systems were to receive salary allowances calculated on a basis of £8 a year for a rota including one Saturday or Sunday duty every four weeks. Saturday and Sunday hours within the rota were also to be compensated by payment at time and a half and double time respectively. Staggered day working could be introduced on a temporary basis but not for a period of less than six months.

249. Staggered hour working involved an employee being willing to work his normal hours in any four or five days of the week (including Saturday and Sunday) at times and on days to suit the requirements of the Board. There was to be at least seven days' notice of actual work hours and all hours were to be worked, without breaks other than for meals, between six in the morning and eight in the evening. Workers on such systems received an allowance of thirty shillings for each week of staggered duties and premium payments for hours worked on Saturdays and Sundays.

250. The agreements also allowed for "winter and summer" and for "work load" staggering but the arrangements described in the preceding paragraphs are the ones which were most widely adopted by Generating and Area Boards in the months following February 1965.

251. The local machinery had a great deal of success in implementing the agreements and by October 1965 nearly 40 per cent of all employees covered were operating some form of staggered work. The effect on working hours in the industry was enormous. It was noted above that Electricity Supply was one of the industries with an overtime average consistently above the national average throughout the 1950's and early 1960's. In April 1964, the time of the last Ministry of Labour Earnings and Hours Enquiry before Stage 1 of the agreement was introduced, average hours worked by men in the industry were 49·4. In October 1965 when the staggered work agreement had been operating for 9 months average hours had fallen by 7·7 to 41·7 and overtime virtually eliminated. Over the same period the change in the figure for all industries covered by the enquiry was a decrease of 0·8 hours a week. The Electricity Council point out that over the period of the reduction in hours their labour force increased. It should be noted, however, that the labour force increase in the first year of the status agreement was less than in 1962 and 1963.

252. This would all suggest that the job flexibility provisions of the staff status agreements together with arrangements for staggering work have led to the virtual elimination of overtime in the Electricity Supply Industry. Earnings, both weekly and hourly, have increased substantially and the employees have the incentive to ask for work staggering patterns designed to maximise earnings rather than efficiency. But this example lends further weight to the conclusion that overtime is neither essential nor inevitable.

(vii) *The Mobil Oil Company*

253. The Mobil Oil Company operate a refinery at Coryton and a distribution network throughout the country. The problems and solutions adopted at the Refinery were similar to those discussed above—particularly in relation to Esso's Fawley Refinery. The problems for the distribution network were somewhat different and the techniques for cutting overtime varied accordingly.

254. The experiment at the refinery did not start as an attempt to reduce overtime. It was part of an all round drive for efficiency involving a firm of management consultants introduced in 1961. The Company's evidence to the Royal Commission<sup>111</sup> stresses the importance of changes in the structure and organisation of management that preceded the agreements giving effect to the changes required to reduce overtime in the refinery (January 1965) and in their marketing and manufacturing operations (February 1966).

255. The study of payment methods during the efficiency drive highlighted the consistently high level of overtime. Average hours across the refinery were generally seven above the negotiated standard, and at certain times of the year very high levels of maintenance overtime were worked on plant shutdown.

256. The Company told the Royal Commission that they thought this situation was prejudicial to the long run interest of both themselves and their employees. They saw the situation as one in which employees welcomed plant shutdowns as providing a means of earning more money whilst management abhorred the loss of production and earnings. Moreover innovations were often looked on as a possible threat to earnings and the benefits of good maintenance planning and scheduling could not be fully realised.

257. After considerable debate the Company decided to attempt to eliminate all paid overtime on the refinery. A committee drawn from refinery management and the consultants prepared a plan to meet the objective of efficiently running the refinery on a 40 rather than 47 hour week. The unions were then asked to accept the basic objective and were given a pledge that there would be no redundancy and that earnings would be maintained.

258. In the course of detailed negotiations agreement was reached on a number of techniques similar to those involved at Fawley and elsewhere. The elimination of craftsmen's mates, the freer use of craftsmen on non-specialised work, transfer of simple maintenance work to non-craft plant operations, temporary shift working on bottleneck maintenance work, relief shift on production work and the elimination of unproductive breaks in working all have their counterparts elsewhere as does the payment of an annual salary calculated on the basis of an agreed number of working hours per week. The novel features at Coryton were the arrangements for work to continue for up to ten consecutive days to meet the peak demands of heavy maintenance jobs, and the agreement that all hours in excess of the standard should go unpaid but be compensated by time off.

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<sup>111</sup> Royal Commission's Minutes of Evidence 49.

259. Mobil's distribution network embraces a number of depots throughout the country and they also have some small manufacturing interests. Little overtime is involved in the manufacturing plants but a great deal had traditionally been worked by the drivers and other distribution staff—sixteen or seventeen hours of overtime a week being quite common. The assault on overtime was part of a general efficiency drive initiated for these establishments in 1963 and early 1964. From the studies involved in the efficiency drive management established target numbers of man hours necessary to meet the workload of each centre. It also concluded that although the problems would be greater than for the refinery a guaranteed salary policy with no paid overtime could be developed for the manufacturing and distribution activities. Proposals in general terms were put to the Transport and General Workers' Union, who accepted them, and detailed discussions were embarked on at each centre.

260. Discussions at the centres took several months but eventually working arrangements were agreed which allowed the workloads to be met with average hours at no more than 44 per week rather than the previous level of 57. The main techniques involved were an extension of shift work at the depots and among the drivers and an arrangement whereby average weekly hours were not to exceed 44 over the year as a whole. At certain seasons they might be exceeded or not worked but there were to be compensatory changes at other times. As with the Refinery, overtime was, in general, to be compensated by time off and not paid. However, where a man works outside his normal working week in the manufacturing and distribution sections of the company he is paid for the overtime but the rate for working a full rest day is less than half what it would have been before the agreement.

261. These agreements have been in operation only a short while and no statistics were made available to the Commission to demonstrate the effect of the agreements on hours worked in either the manufacturing and distribution sector or at the refinery. However the refinery agreement has undergone what might be described as the severest of all tests at an oil refinery—a major fire. Following the fire in August 1965 all plant was got back into operation without any paid overtime. The forty hour week was adhered to but each man was prepared to work at any time of the day or week as requested by management and to work with contract labour. At the end of the emergency an *ex-gratia* payment was made but the post-fire situation really established that there would be no paid overtime at the Coryton refinery.

#### (viii) *The British Oxygen Company*

262. The attempt to reduce overtime in the British Oxygen Company's Gases Division had not been put into effect at the time they submitted evidence to the Royal Commission. However certain of its provisions are of considerable relevance to this study. In June 1960 after some two years of preparation and negotiation the Company signed an agreement with a number of unions—Transport and General Workers, General and Municipal Workers and the Scottish Commercial Motormen—designed to achieve a 15 per cent cut in working hours in each of its 55 locations without increasing the labour force or reducing workloads. This represented a reduction

of about 8 hours on the average 52 hour week being worked at the time leaving some 4 hours overtime a week on average, which was to be paid in the usual way.

263. Before asking the operating units to produce agreed plans to obtain the cuts in hours the Company guaranteed that no redundancy would result from changed work methods and that a productivity payment of the order of 20 per cent would be made to compensate for lost hours and to obtain co-operation for the various changes in working methods. When the plans had been produced the Company were prepared to make larger concessions. The agreements included a 25 per cent productivity payment, increased shift allowances, increased holiday provision and payment, a reaffirmation of the "no redundancy" pledge and a lump sum payment to anyone whose earnings could be shown to suffer as a result of the changes.

264. The plans produced by each location were not incorporated in the central agreements but guidance was provided on certain arrangements that unions and management agreed might be adopted. Provision would be made for some increase in shift working. Rigid job demarcations were to be abandoned. Driving work was to be rescheduled and routes and loads changed. Drivers were to operate at 30 miles per hour, to facilitate the early return of vehicles to their depots and to assist with some unloading. Prolonged increases in workloads at a depot could result in the joint consideration of an increase in the workforce but never in an upward adjustment in hours. The management reserved the right to withdraw the productivity payment at any depot where the new arrangements did not achieve the workloads in the target hours.

265. The scheme was caught up in the 1966 Standstill on Prices and Incomes and at the time of writing was being considered by the National Board for Prices and Incomes. Incomes policy issues aside the scheme showed that much of the overtime in the British Oxygen Company was unnecessary and that, given certain changes which could be negotiated with the unions, local managements could organise work in such a way as to maintain output with 15 per cent less hours.

#### C. SUMMARY

266. This Chapter has shown that overtime on the United Kingdom scale is not inevitable. Little is worked in the Netherlands and there is no reason to believe that industries' technical problems or fluctuations there are less than those in Britain. Moreover this Chapter has discussed examples of attempts by British employers to reduce their overtime, some of which have been extremely successful and received union blessing. The attempts have been examined individually and where possible the origin of the attempt and the course of the negotiations has been traced, as have the techniques of payment and work organisation which have been adopted.

267. What lessons of general importance can be drawn from the case studies? How do the payment systems and techniques adopted fit in with the traditional views about the control and function of overtime working? In particular it is essential to consider how far other managements should be persuaded to take a firm line on overtime working and how they could be persuaded to develop and implement practical proposals for its elimination or substantial reduction. These are the issues discussed in the final chapter.

268. Before taking up these points it is necessary to consider whether there are any peculiarities in the particular cases which should inhibit generalisation. First, several cases related to industries in which labour costs form a very small percentage of total costs. This is particularly true of oil refining, of electricity generating and of the food processing done by Company "A". This could be interpreted as meaning that such concerns are able to pay their employees sufficiently high base rates to retain them without overtime working. In Company "A" this was clearly the case prior to the changes in maintenance overtime working and at Fawley the eventual base rates were sufficient to retain employees without overtime earnings. This criticism misses the point, however, that while specific figures are not available in both cases labour costs per unit of output almost certainly declined. The cost of each hour worked may have increased at Fawley but the output obtained from it also increased. In Company "A" there was probably an overall decline in the cost of each hour worked. Moreover, if plants where labour costs form a small proportion of total costs feel it worthwhile to examine their overtime working they should certainly have some lessons to pass to those where labour costs and probably overtime costs are relatively more important. This low level of labour costs to total costs is also a feature of other continuous processing industries which were shown in Chapter Two to make up a high proportion of those industries in which the levels of overtime tend to be persistently high. So the cases studied are particularly relevant to the high overtime industries.

269. Secondly, it may be argued that Company "A" could not have carried through the enforcement of its overtime limitation on maintenance work in the absence of surplus machine capacity. It is certainly true that such a surplus did exist but it had done so for eight years before maintenance overtime was reduced, and there is no evidence that machines were out of operation longer following the overtime cut than they had been before it.

270. Thirdly, the Post Office is a civil service organisation and although it is organised on commercial lines, rights and duties are far more explicitly laid down. "Conditions of Service" and a fairly clearly defined hierarchical structure mean that a decision to reduce overtime is easier to implement than where such conditions are absent. This is probably an important factor but, as this Chapter has shown, "custom and practice" was not entirely absent as a cause of overtime and when it was questioned work changes were implemented to eliminate overtime.

271. Fourthly, in each of the cases the establishments or plants affected were all responsible to a single management authority, which itself took the initiative to begin the overtime experiment. In a number of cases there was considerable local autonomy, e.g. in the Area Boards of the Electricity Council, but in each case the decision to tackle overtime was taken at Board level or its equivalent. It would appear that this is essential if real progress is to be made. Indeed it is to be doubted how far the commitment of some other level—for example the level of national negotiations within an employers' association, or the lower levels of plant management—can provide a substitute. For the planned reduction of overtime is a task which must be authorised by top management, since they alone have the power and means to provide alternative ways of doing things.

## CHAPTER EIGHT

### CONCLUSIONS AND METHODS OF CONTROL

272. This Chapter has three objectives. First, to establish a number of generalisations concerning the kinds of arrangements within firms and plants which are conducive towards the reduction of overtime. Second, to consider the secondary effects of any widespread movement in the direction of shorter hours. Third, to discuss, briefly, the main alternative methods for inducing a general movement for the reduction of overtime working in Britain today.

#### A. GENERALISATIONS

273. The paper has pulled together evidence that confirms the CBI's conclusion that "a good deal of overtime is worked for non-productive reasons" and the Electricity Council's contention that heavy overtime has led to uneconomical uses of manpower and the development of unsatisfactory work practices. It has shown that this inefficient practice is more extensive in Britain than in most other countries and that it has increased rather than diminished in the period since advanced managements and academics have stressed its shortcomings and costliness.

274. This situation has not resulted entirely from the reductions in normal working hours. It has come from pressures operating at the workplace. These pressures have been given free play by the scarcity of statutory controls and the fact that collective agreements all leave the decisions on overtime to be made at the workplace. At this level there are numerous circumstances in which management feel that overtime is justified and moreover there are always some people only too willing to work the extra hours. Seeing some apparently improving their living standards by working overtime, others develop a desire for it, so that pressures to spread the overtime build up in the workplace. Local union representatives see the short-term direct interests of their members and do little to discourage overtime. The result is that all semblance of control is lost and actual overtime ceases to be worked for the reasons management desire when authorising it in general terms. Moreover the association of high overtime with low average earnings suggests that the workers' long run interests are not served by high overtime.

275. Some managements have recognised the futility of much overtime and, as the cases in the previous Chapter have shown, some have regained control. They have accepted that overtime is inefficient and proved that it is not inevitable. Six generalisations may be made on the basis of their experience. These generalisations have important implications both for the type of arrangements required to reduce overtime and for the way managements may be persuaded to introduce such arrangements.

276. *First, in the cases studied by the author the initial impetus to reduce overtime usually came from forces which were not directly involved in either the industry or workplace in question.* In Company "A" it was the arrival of

a new Board Chairman. At Fawley the forces came from across the Atlantic, first in the form of a call for manpower economies and secondly in the form of a team of consultants. In the Post Office Engineering Department the decision to cut overtime in both 1957-58 and 1961 was due to economies in government capital expenditure. In the first case it was accompanied by peculiarities in the National Service situation and in the second by the POEU ban.

277. The need for an external impetus is highly consistent with the theory of the growth of overtime advanced in this paper, and is no way inconsistent with the view, set out in the conclusion of the last Chapter, to the effect that top level management must be converted to the need to do something about it. The fact is that a way must be found to so convince them, i.e. they must be placed in a position where they feel that it is their responsibility to act; otherwise there is a tendency for top managers to leave such problems to be dealt with at lower levels in traditional ways. For as has been seen at such levels supervisors seldom have the power to authorise changes in working arrangements which are necessary to cut overtime. They may know the overtime is excessive but be powerless to do anything about it.

278. Further, particularly at the level of first line supervision there is often no wish to do anything to cut overtime and so disturb a harmonious situation.<sup>122</sup> The cases studied show that when external factors force senior management to consider the problem of overtime it is quite possible for it to be solved.

279. *Secondly, it is clear that once the decision has been taken that overtime is to be cut many of the problems related to the nature of the work necessitating overtime either disappear or are fairly rapidly solved.* In Company "A" the Chief Engineer's objections to the overtime cuts were not that the work could not be done without overtime, but that he would lose his staff. At Fawley numerous devices were adopted to cover jobs which prior to 1958 and in many plants then and since were thought to necessitate overtime. The consolidation schemes were designed to eliminate one aspect of overtime working, namely work spreading, which many have held it impossible to tackle in conditions where increased supervision is out of the question. In telephone areas throughout the country the 1961 ban on overtime by the engineering grades revealed many ways of doing jobs previously thought to entail overtime. At Coryton the devices used to eliminate overtime were similar to those at Fawley except that with the former an additional factor was the cessation of payment for overtime. With the Mobil distribution points and with the Electricity Supply Industry the basic method for eliminating overtime was essentially simple, viz. the agreement that men would work their normal hours at times of the day, week or year when the workloads most demanded them. Thus where senior managements decide that overtime is to be reduced or are faced with the situation that none at all is available it is frequently possible for them, together with their subordinates, to organise hours and work flows to obtain the necessary effort without over-

<sup>122</sup> In some cases in fact the earnings of the first line supervisor depend directly upon the earnings of those he supervises and upon the hours they all work. In such circumstances the influence, often decisive, of the supervisor as far as overtime is concerned will seldom be used to reduce it.

time. One of the most striking things about the cases considered is the way some managements were prepared to devise ways of eliminating factory maintenance overtime which has traditionally been the most easily justified.

280. *Thirdly, consolidation schemes can be effective but they carry with them several real dangers.* Insofar as they involve restricting overtime, consolidation schemes involve the assumption that non-essential overtime working springs from the practice of work-spreading. If this was the only source of non-essential overtime the answer involving the removal of the incentive for such work-spreading might be the correct one. However, having committed themselves to paying for a certain number of hours each week, all levels of management have a reduced incentive to consider ways of eliminating overtime which might be non-essential for reasons unassociated with work-spreading. As a transitional stage between a situation of high overtime paid for by the hour and one of a high salary with no payment for overtime, consolidation schemes can in certain circumstances be most effective. But unless they are regarded as transitional and the eventual goal of eliminating all unnecessary overtime is kept to the fore, they carry with them the danger of formalising a situation in which long working hours are the accepted thing.

281. *Fourthly, trade union co-operation was readily forthcoming if asked for.* At Fawley this was certainly the case and, within the departments, when both management and unions were explicitly committed to a definite target greater success was achieved than when they were not. In the Post Office Engineering Department the body that recommended the two big reductions was numerically evenly balanced between the staff side and the official side. In Company "A" there was some prior discussion and the workshop representative clearly supported the scheme. In Company "B" the scheme was accepted by the staff and subsequently written into the agreement with the union. Each of the cases drawn from the Commission's records was based on a collective agreement.

282. *Fifthly, in the two most extensive reductions considered by the author, management had regular access to quite detailed information on patterns of overtime working and were probably therefore in a better position to plan and control its reduction.* At Fawley senior managers received a weekly schedule showing the number of overtime hours worked by particular grades in individual plants within the main departmental groupings. Access to these figures was restricted but their very existence indicated an awareness of the problems overtime might cause and at the same time provided a useful aid for its control. In the Post Office, where very many more people were engaged, the Engineering Department, on whom the ultimate responsibility for Post Office Engineering overtime policy rests, had detailed breakdowns of overtime statistics by Regions, Areas, type of work and for certain specified individual grades. The mere fact that senior management was known to be aware of the overtime situation would tend to encourage others to keep the situation in control. In discussing overtime with personnel managers and other plant level managers elsewhere, the author was struck by their lack of knowledge of overtime patterns. The lesson of the case studies is that a detailed knowledge of what is taking place helps to ensure that what takes place is what is desired.

283. Finally, some at least of the case studies suggest that examining the use to which overtime was put revealed opportunities for other changes giving productivity increases. In Company "A" the Chief Engineer was asking for more men and more hours. However, as a result of the Chairman's instruction to examine overtime, ways were found of covering the work with the same men for fewer hours. At Fawley enormous changes in working practices resulted from the consultant's consideration of the purpose to which overtime hours were being put. It is significant that at both of the oil refineries mentioned in the previous Chapter the changes in working methods which accompanied the reduction in overtime would have resulted in some redundancy had it not been that the Companies guaranteed to continue employing their existing workpeople. Moreover the savings in earnings' payments that the company were able to make by cutting overtime provided sufficient money to enable them to offer an attractive financial inducement to their workpeople to accept the changes required. This might suggest that those industries and firms with high overtime are those most favourably situated to obtain significant increases in productivity.

#### B. INDIVIDUALS IN A NO OVERTIME SITUATION

284. The case studies and the discussion so far has considered only the direct or indirect increases in productivity that might result from a widespread attempt to control overtime working; what other secondary effects might occur? Earlier Chapters have shown that an individual usually wants to work overtime in order to obtain a short or medium term increase in his earnings. If overtime were not available to him he might have to rely on his wife's earning power or increase his own efforts under bonus schemes or take a second job.

285. Even with high and increasing overtime there has been a marked upward trend in the number of married women in paid employment since the war. Any additional impetus to this trend would be welcome in the next decade when the total labour supply is unlikely to increase. However, the need for an individual to increase his earnings frequently comes just at a time when his wife is not available for work. Furthermore, where payment by results schemes operate those involved tend to establish ceilings to earnings and effort to which the individual is expected to conform.<sup>113</sup> The man who does a great deal of overtime may or may not be regarded as a fool but he is certainly not regarded by his workmates as a "rate buster". Social pressures make payment by results schemes a poor substitute for overtime for the individual who needs a sharp increase in his earnings. Such pressures might be reduced in circumstances where overtime was less generally available. However, the problem would still remain that while bonus earnings may considerably exceed the amount that can comfortably be earned for overtime, an increase in them at anything equivalent to the rate for an hour or two of overtime is much more difficult to obtain.<sup>114</sup>

<sup>113</sup> See for example:

Wilfred Brown: "Piecework abandoned". Heinemann, London, 1962.

T. Lupton: "Money for Effort". Problems of Progress in Industry, No. 11, HMSO, 1961.

R. B. McKersie: "Wage Payment Methods of the Future". British Journal of Industrial Relations Vol. 1 No. 2.

<sup>114</sup> In the Manchester docks enquiry it was discovered that unless a worker was employed on an exceptional cargo he could do better for himself by working for 10 hours at a moderate speed than by working very hard throughout the normal eight hour day.

286. This leaves the second job as the most readily available alternative to overtime. Recent estimates suggest that the practice of holding two or more jobs, "moonlighting" as it is known in the United States, is increasing in Britain.<sup>115</sup> It is also reasonable to assume that if overtime were significantly reduced, there would be some further increase in the extent of multiple job holding. This has led many to say that the side effects of curing the disease of overtime would be worse than the disease. Several important points need to be made on this.

287. First, a second job does not necessarily affect a man's performance in his primary job in an adverse way. The effect on a man's performance at work may be improved by his leisure time activities and it is irrelevant if he happens to be paid for them. Most executives would deny that their gardening activities adversely affected their work and indeed they might claim that it improved their work. Similarly the process operator in an oil refinery whose job it is to watch dials and take appropriate action could well be more efficient at his job if his time outside the refinery was spent in a farmer's employ rather than in watching television. Secondly, anyone who takes an additional job usually does so as the result of a specific decision taken voluntarily. It has been shown above, however, that many who work a great deal of overtime have drifted into it because those around them were doing it. This means that by no means all overtime workers would take second jobs if there were no overtime available, and second jobs would be taken by those most in need of additional earnings. Thirdly, a basic argument of this paper has been that the practice of overtime working is inefficient not because it makes workers tired but because it discourages management from organising work in the most efficient way. It could be argued that a second job would increase tiredness but would not carry with it all the managerial inefficiencies associated with overtime working.

### C. CONTROLLING OVERTIME—I: BY EXHORTATION

288. The side effects of bringing the overtime situation under control are not such as to rule out the attempt. But how could the impetus be given to a drive to reduce overtime and bring the situation into control?

289. One thing that is clear from the author's case studies is that forces external to the workplace will have to be brought to bear if factory managers are to make a serious attempt to reduce overtime. The immense publicity that has been given to the Fawley experiment may have attracted people's attention to what can be done about overtime. So may the reports by the National Board for Prices and Incomes which have pointed to the economies that can be made by cutting overtime in particular industries. Their first report on road haulage rates stated: "A reduction in the proportion of overtime to total time or in the number of 'paper' hours as distinct from hours actually worked could, we are satisfied, be accomplished on a considerable scale without any increase in actual travelling speeds".<sup>116</sup> Their third report recommended that management in the bakery industry

<sup>115</sup> B. C. Roberts and Judith L. Hirsch in "Manpower Policies and Employment Trends". Ed. B. C. Roberts and J. H. Smith, London School of Economics and Political Science, 1966, p. 134.

<sup>116</sup> National Board for Prices and Incomes. Road Haulage Rates. Cmd. 2695, HMSO, 1965. A later report made detailed recommendations designed to achieve this.

should negotiate with the unions both nationally and locally for a reduction in the practice of extensive overtime.<sup>117</sup> Their reports on printing, on railway pay and conditions of service, and on bakery wages contained specific recommendations for improving manpower efficiency and the reduction of overtime. Their general report on their activities noted little progress in this direction.<sup>118</sup> This rather specific exhortation might have a more pronounced effect on overtime working in the conditions of low demand following the Government's economic measures in July 1966. If the pressure of demand means that overtime has to be cut to avoid redundancy, firms will be forced to consider ways of getting work done in normal hours. In the past however overtime has fallen in recessions only to rise to its previous levels and above in the succeeding reflation. It is not possible to say if the volume of comment and experience on the inefficiencies of overtime, exemplified by the explicit exhortations of bodies such as the National Board of Prices and Incomes, will result in less overtime in the next period of reflation than in the past. As yet there is little evidence that it will.

#### D. CONTROLLING OVERTIME-II: BY ACTING ON WAGE PAYMENTS

290. Trade unions at the national level have traditionally put forward a number of proposals for reducing overtime. The most popular ones have been, first, to raise the premium which is paid for overtime, e.g. to pay all overtime at double rates and, secondly, to raise basic wage rates so as to remove the individual's dependence on overtime. They have also discussed changing the level at which restrictions in collective agreements come into force and also increasing worker or union participation in decision-making at the local level. Given the situation described in Chapter Four neither of these latter suggestions would provide the all important external impetus to reduce overtime. The other suggestions could provide such an impetus and deserve further consideration.

291. Increasing premium rates for overtime is a policy that appears to satisfy the interests of both the individual member who wants overtime and the union officials who want to restrict it. As far as the individual is concerned, such a policy makes each extra hour worked worth more and as far as the union is concerned it discourages employers from demanding or offering overtime. Evidence to support this union belief is not easy to find. Differences in the level of premia between industries are not reflected in their overtime patterns. The four industries in which the lowest rates of overtime premium operate for weekday overtime all have very much less overtime than other industries.<sup>119</sup> The electricity supply industry prior to the staff status agreements had almost twice as much overtime as the gas supply industry. Yet in the former all weekday overtime was paid at time and a half whilst in the latter 10 hours' overtime a week could be worked without any of it attracting such a premium. Similarly in the construction industry both the overtime and the rate at which it is paid are higher in the civil engineering than in the general building sector.

<sup>117</sup> NBPI Prices of Bread and Flour. Cmnd. 2760, HMSO, 1965.

<sup>118</sup> NBPI General Report April 1965, to July 1966. Cmnd. 3087. HMSO, 1966. See particularly paras. 97 and 103.

<sup>119</sup> Lace, Jewellery, Weatherproof Outerwear and Footwear.

292. These are however static comparisons and it is possible that a change in rates would have a much more marked effect. However, it has been shown that decisions on when overtime is to be worked are seldom if ever purely managerial. Raising premium rates would not only increase the marginal cost of additional hours to the employer but also increase the marginal payments to the individual. Thus this measure might force managements to look at the use they were making of overtime but at the same time it would introduce a factor giving greater employee resistance to its reduction. Indeed in the cases discussed in the previous chapter the tendency was to *reduce* the payment for overtime in an effort to remove the employees' incentive to preserve practices giving excessive overtime.

293. The raising of basic wage rates specifically to reduce the necessity of working overtime to obtain what the employee would regard as a satisfactory wage is liable to have a less direct effect on both employers' and employees' attitudes to overtime. The debate on whether there is a backward sloping supply curve of labour, i.e. does willingness to work decline as income increases, has been a long one;<sup>120</sup> it remains inconclusive. While many writers have shown that such a phenomenon has operated in certain circumstances no one has shown that in a system where premium rates for overtime operate raising wage rates has reduced overtime.

294. In Britain there is some evidence that those industries with the lowest wage rates have the longest hours. As was noted in Chapter Six Roberts and Hirsch show that average hourly earnings (which can be used to represent wage rate differences) and average hours by industry were negatively correlated throughout the period 1954 to 1963, and it is probably true also that those industries with the largest increases in earnings have experienced the smallest increases in overtime working.<sup>121</sup> All of this however is evidence that levels and changes in levels of relative wage rates affect the working of overtime. The substantial increase in real wage rates in the post-war period in Britain has been accompanied by an increase in overtime working, not a decrease, as the proposed solution to the overtime problem would lead one to expect. One obvious explanation of this is that people's expectations have increased as fast as or faster than their earnings. The evidence of Chapter Four suggests that expectations and the desire for overtime may be linked to *relative* rather than absolute earnings. Thus if any wage policy can influence desires for overtime working it is more likely to be by reducing earnings differences both within and between industries, than by allowing all round increases.

295. The lack of overtime in the Netherlands can be explained partly in terms of the statutory controls that operate in that country. Similar legislative controls on maximum hours of work or on overtime working without permit exist in a number of other countries. In Belgium since 1964 the number of hours which can be worked has been limited to 45 a week or 8 a day (except where the working week is of 5½ days or less when 9 hours can be worked). Additional hours may be worked on

<sup>120</sup> The fullest empirical study seems to have been carried out by Paul Douglas and reported in his "Theory of Wages", New York, 1934. References to such a phenomenon can be found in the writings of Adam Smith, Simiand, Marshall, Knight, Robbins, Boulding, Scitovsky and many others.

<sup>121</sup> See above para. 173.

occasions to meet emergencies and seasonal peaks provided that compensatory time off is granted. Extra hours up to ten per week can be authorised with the consent of both the trade unions and the workers involved. In France in 1966 legislation limited total hours worked in a week to 54 calculated over periods of up to 12 weeks. In Switzerland a legislative limit of 46 was placed on the hours of workers in industrial establishments and certain other sectors by an Act of 1964 which came into effect in 1966. Under provisions in the same Act no worker may do more than 220 overtime hours in a year and no employer may order more than 60 such hours without a permit. In Italy an Act of 1955 prohibits work in excess of 48 hours per week that is not of a purely casual nature, except in case of particular requirements connected with production techniques which cannot be met by employing more workers. In Canada overtime is limited to eight hours per week and up to this limit a permit is required. Statutory limitations on overtime also operate in other countries including Norway and Germany.

296. In several of the countries mentioned the legislation on overtime is of recent origin and in many the hours established in collective agreements are well below those covered by legislation. In the absence of detailed evidence on the levels and changes in hours provisions in collective agreements in other countries it is difficult to say whether or not the experience of countries other than the Netherlands supports the contention that statutory controls on maximum permitted hours or on overtime ensure that actual hours are reduced in line with collective agreements. It is clear however that such controls operate in many industrialised countries.

297. There have also been suggestions that legislation might be required to regulate overtime working in Britain.<sup>122</sup> Such a solution would, if it took the right form, certainly be consistent with the author's findings on the subject. Collective agreements in general have been ineffective in controlling overtime because they have left the ultimate decision on when it shall be worked to the parties at the workplace. The case studies showed that it has usually taken a powerful outside influence to cause factory managers to question the use made of overtime working in their establishments, and an examination of attitudes towards overtime provides a feasible explanation of the need for this external influence. None of the alternatives set out in this Chapter go far in providing such an outside influence. Statutory controls could do so.

### E. CONTROLLING OVERTIME—III: BY LEGISLATION

298. As was explained in Chapter Seven the Dutch system of controlling overtime involves each firm drawing up a schedule of working hours which requires the approval of the Labour Inspectorate. The office of the labour inspectorate have to approve any deviations from the schedule. These controls were introduced in 1919 when normal hours were quite long and before any tradition of overtime working had grown up. The introduction of any such controls in Britain would be more difficult as many factories and individuals are extremely dependent on overtime.

<sup>122</sup> See for example the statement by the Chairman of the National Board for Prices and Incomes reported in the *Listener*, Vol LXXVI, No. 1965, 24th November 1966, pp. 762-3.

299. It was shown however that a variety of forms of control operate in different countries. The sort of scheme that might be practicable in Britain would involve employers keeping records of the working hours of all employees and being required to obtain a permit from the local Employment Exchange when they wished an individual to exceed the normal week by more than a certain number of hours. The onus would have to be on the employer to keep records and to ensure that permits were obtained for all additional hours. The number of extra hours not requiring a permit could be reduced by stages over a decade to a level of something like two per week. This would give both firms and individuals a chance to adjust their plans to a no overtime situation and could be accompanied by a campaign explaining some of the techniques by which overtime could be effectively eliminated.

300. A number of important questions would require detailed consideration when examining such a scheme, but tentative answers can be given. First, need such a scheme impose a statutory obligation on all employers to keep records and obtain permits? There seems to be no reason why it should. It would probably be sufficient to give a Minister power to make an order requiring all employers in a particular industry to keep records and to obtain permits. Such a power would only be exercised if statistics of average hours worked in an industry suggested that firms were not taking the necessary steps to eliminate overtime.

301. How many hours of overtime should be allowed without the necessity for a permit? If the legislation was only permissive it would be possible to fix a limit of about 8 hours per week on the overtime which any man could work in the first year of the scheme. This limit could then be reduced by one hour per year until it reached 2 hours.

302. What criteria would be used in issuing permits? These could be flexible but one would expect permits to be made available for seasonal work and to be valid for about two to three months to meet exceptional work loads falling on a particular group of men. Renewal of permits would not be usual.

303. Legislation is not part of the tradition of industrial relations in Britain; systematic overtime certainly is. If the overtime situation has grown in the way suggested in this paper then it may well be that both traditions should be broken. All the evidence supports those who have criticised systematic overtime as a major cause of inefficiency in Britain and who have seen its elimination as a way of achieving important gains in productivity. It is not often possible to legislate for efficiency but some form of control on overtime might involve just that.

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Royal Commission on Trade Unions and  
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RESEARCH PAPERS  
9

OVERTIME WORKING IN BRITAIN  
A Study of its Origins, Functions  
and Methods of Control

by  
E. G. Whybrew

LONDON  
HER MAJESTY'S STATIONERY OFFICE  
1968



## Foreword

This publication in the series of Research Papers specially prepared for the Royal Commission on Trade Unions and Employers' Associations contains the results of Mr. Whybrew's study of the operation of overtime working in British Industry. It is particularly concerned with the reasons why Britain appears to work more overtime than most other comparable countries, and with attempts which have recently been made to reduce its use.

It is hoped that the study will be found interesting and useful by many people concerned with industrial relations and with the problem which the Royal Commission is examining. The views expressed in the paper are of course those of the author and do not necessarily represent or foreshadow those of the Royal Commission.

*Royal Commission on Trade Unions and Employers' Associations  
Lacox House  
November 1967*

## Acknowledgements

The bulk of this study was carried out in 1962 and 1963 while I was a student at Nuffield College, Oxford. Both at the time and subsequently many firms, trade unions and individuals allowed me to interview them and gave me access to documents in their possession. Some of them have also been kind enough to read and comment on sections of the paper. To all those who have helped me I offer thanks and apologies for any misrepresentations or inaccuracies which remain.

The views which are expressed in the paper are mine and, in particular, should not necessarily be taken as representing the views of my present employer.

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## CONTENTS

		<i>Paragraphs</i>	<i>Page</i>
FOREWORD	...	...	iii
AUTHOR'S ACKNOWLEDGEMENTS	...	...	iv
SUMMARY ( <i>by W. E. J. McCarthy, Research Director</i> )	...	1- 19	1
CHAPTER 1 Introduction	...	...	1- 18
CHAPTER 2 The Extent of Overtime Working in Britain	...	19- 54	10
A. Measurement of Overtime	...	24- 28	12
B. The Extent of Overtime Working	...	29- 53	14
C. Summary	...	54	22
CHAPTER 3 Some Characteristics of Overtime Working	...	55- 74	23
A. Regularity of Patterns of Working	...	56- 60	23
B. The Disproportionate Effect on Earnings	...	61- 65	24
C. The Position of Post-War Britain	...	66- 73	28
D. Summary	...	74	32
CHAPTER 4 The Regulation of Overtime and its Supposed Functions	...	75-105	33
A. The Regulation of Overtime	...	76- 94	33
B. The Supposed Functions of Overtime	...	95-104	37
C. Summary	...	105	39
CHAPTER 5 The Determinants of Individual Demands for Overtime and the Attitude of Trade Unions	...	106-139	41
A. Willingness to Work Overtime and the Role of Taxation	...	110-114	42
B. The Effect of Financial Responsibility, Age and Earnings	...	115-127	44
C. The Effect of Comparisons and the Growth Process	...	128-132	48
D. The Role of Unions at the Workplace	...	133-138	50
E. Summary	...	139	52
CHAPTER 6 The Functions of Overtime: Further Examination	...	140-180	53
A. Emergency	...	141	53
B. Technical Necessity	...	142-151	53

		<i>Paragraphs</i>	<i>Page</i>
C.	Social and Economic Arguments ...	152-178	56
(i)	Overtime and Fluctuations in Demand for Labour ...	153-154	56
(ii)	Overtime and Labour Shortages ...	155-160	57
(iii)	The Effect of Changes in Normal Hours ... ... ...	161-163	58
(iv)	Overtime and Output ...	164-169	59
(v)	Overtime and Wage Rates ...	170-178	60
D.	Summary ... ... ...	179-180	63
<b>CHAPTER 7</b>	<b>Is Overtime Inevitable? ...</b>	<b>181-271</b>	<b>64</b>
A.	A Comparison with the Netherlands ...	182-186	64
B.	Case Studies and Evidence to the Royal Commission ... ... ...	187-265	67
(i)	Esso's Fawley Refinery ...	190-209	67
(ii)	Post Office Engineering Department I ... ... ...	210-216	71
(iii)	Post Office Engineering Department II ... ... ...	217-225	73
(iv)	Company "A" Food Processing ...	226-232	77
(v)	Company "B" Road Transport ...	233-244	79
(vi)	Staff Status Agreements in the Electricity Supply Industry ...	245-252	82
(vii)	The Mobil Oil Company ...	253-261	84
(viii)	The British Oxygen Company ...	262-265	85
C.	Summary ... ... ...	266-271	86
<b>CHAPTER 8</b>	<b>Conclusions and Methods of Control ...</b>	<b>272-303</b>	<b>88</b>
A.	Generalisations ... ... ...	273-283	88
B.	Individuals in a No Overtime Situation	284-287	91
C.	Controlling Overtime—I: By Exhortation	288-289	92
D.	Controlling Overtime—II: By Acting on Wage Payments ... ... ...	290-297	93
E.	Controlling Overtime—III: By Legislation ... ... ...	298-303	95

FIGURE 1

ESTIMATED PROPORTIONS OF INSURED EMPLOYEES ON  
CHECK-OFF BY INDUSTRY  
(STANDARD INDUSTRIAL CLASSIFICATION)  
SPRING 1966

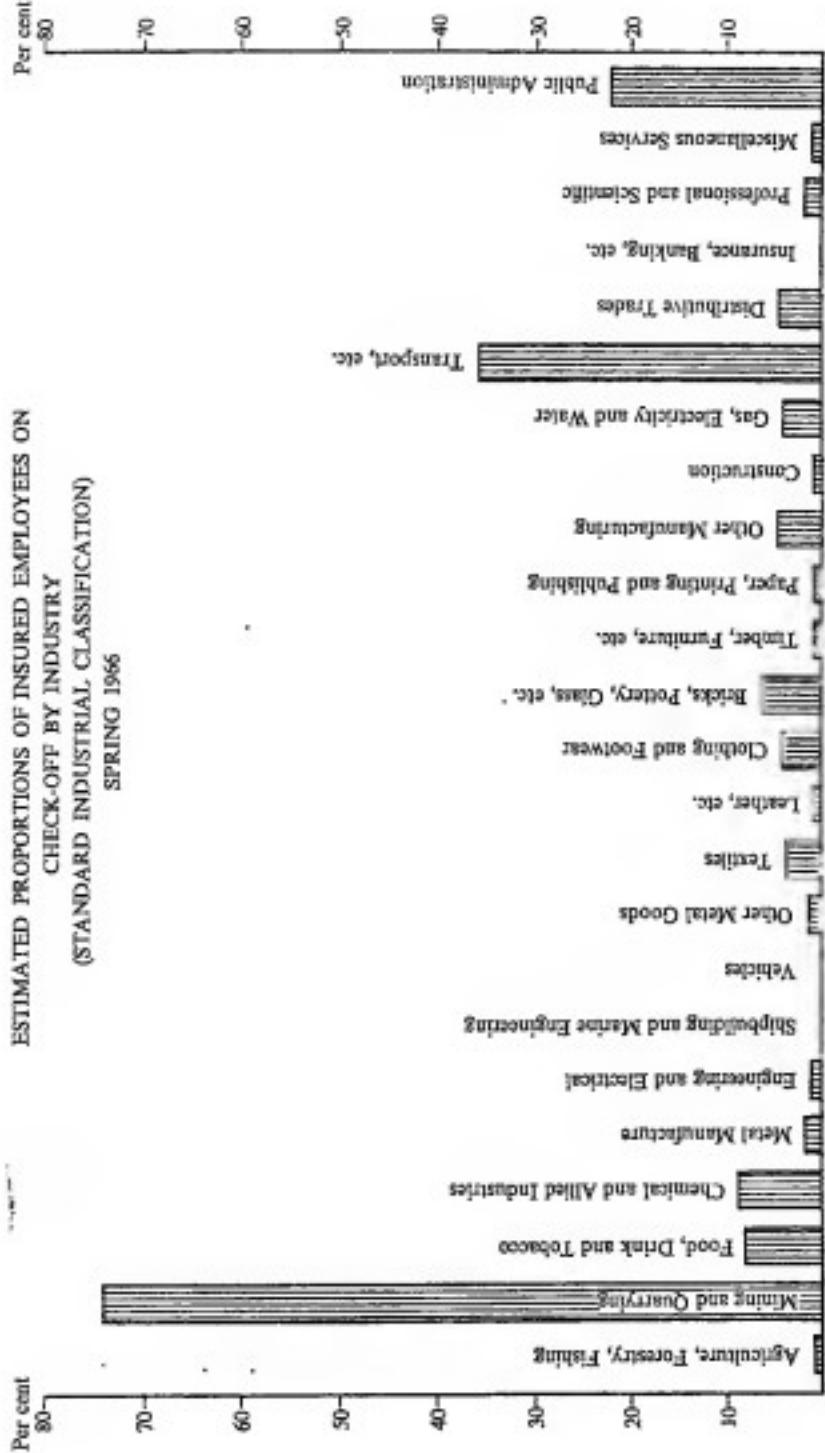
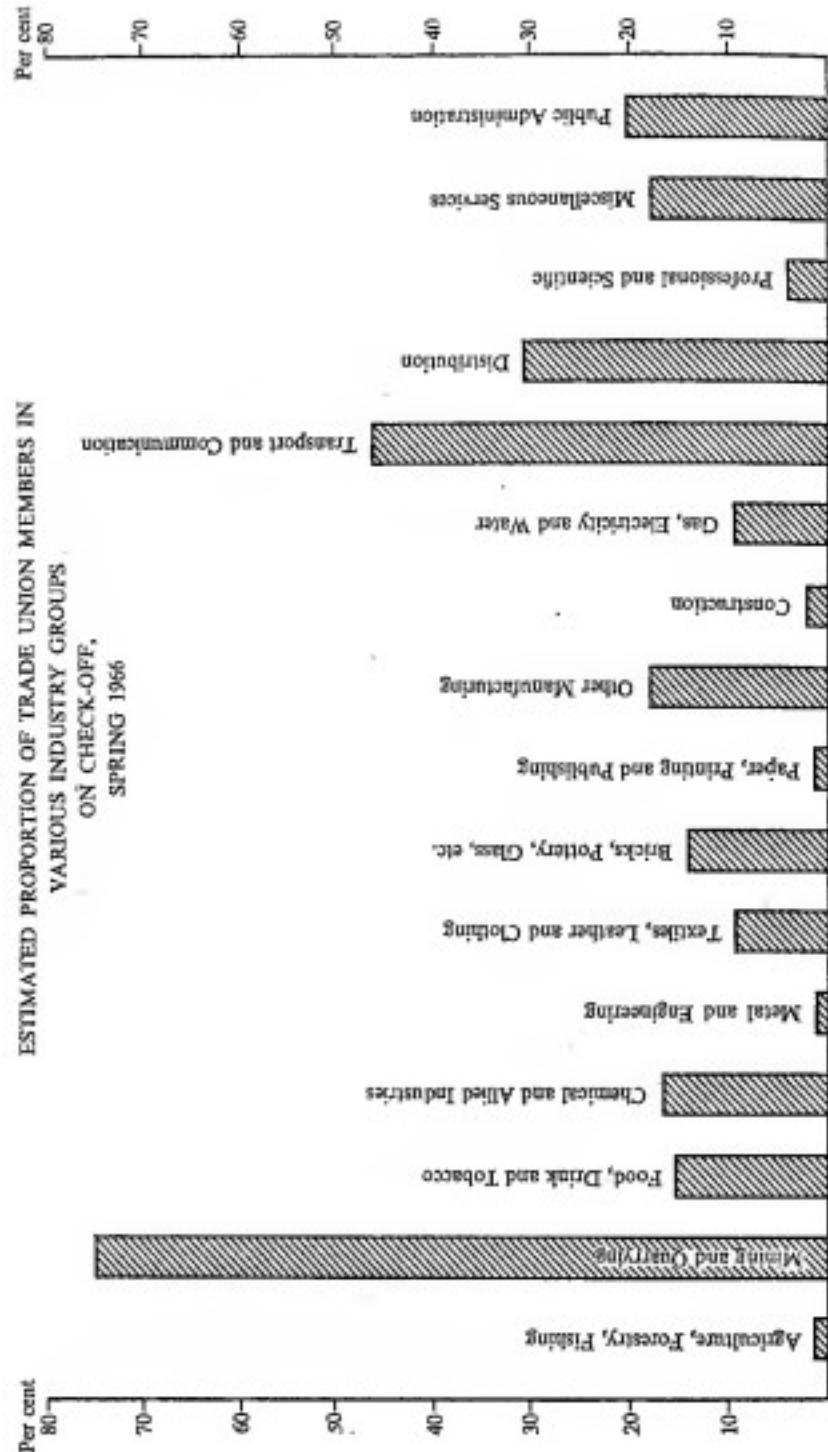


FIGURE 2

ESTIMATED PROPORTION OF TRADE UNION MEMBERS IN  
VARIOUS INDUSTRY GROUPS  
ON CHECK-OFF,  
SPRING 1966



# GRIEVANCE ARBITRATION IN THE UNITED STATES: AN ANALYSIS OF ITS FUNCTIONS AND EFFECTS

by Jack Stieber

*Professor in the Department of Economics and Director of the School  
of Labor and Industrial Relations, Michigan State University, USA*

## SUMMARY (BY THE RESEARCH DIRECTOR):

1. Virtually all collective agreements in the United States provide for final and binding arbitration over disputes arising out of the application and interpretation of the agreement or "contract". By contrast, arbitration is not generally used to settle disputes which arise when the existing contract is being renewed or re-negotiated. Since the great majority of contracts are negotiated for a fixed period—e.g. two or three years—this means that strikes and other sanctions are generally ruled out under the agreement for the period of its operation. To the extent that such arrangements exist sanctions may only be used to settle so-called "disputes of interest". Disputes of right may be settled by negotiation, with the right of either side to ultimate reference to arbitration.

2. The paper describes the growth of this type of grievance arbitration in the United States. It was encouraged by war-time developments and recent legislation, but it is essentially an expression of the desires of the parties. There is no legal obligation to sign procedure agreements involving the reference of grievances arising out of the application and interpretation of existing agreements to arbitration, and the system is not universal. Yet there has been an increasing use of arbitration in recent years, and a rise in requests for the services of arbitrators. However, since there are always far more applications made for arbitration than actual arbitration decisions, it seems as though the mere appointment of an arbitrator or "panel" of arbitrators can help to induce a settlement or the abandonment of a grievance. This is evidence of the fact that the availability of arbitration does not necessarily stifle negotiations; on the contrary it seems to operate as an extra form of pressure on the parties to agree.

3. Issues submitted to arbitration vary, but in periods of recession concentration seems to be on seniority rights, lay off clauses and other defensive aspects of the contract. In periods of boom more disputes arise over the operation of overtime and incentive standards. In both periods questions involving discipline and dismissal are important, and in most years these seem to account for roughly 20 per cent to 25 per cent of all known references.

4. Some agreements specifically exclude certain subjects from arbitration—e.g. individual wage inequities, merit increases, production standards and "management rights". Often a dispute over whether or not a subject

<sup>1</sup> Note: It should be made clear that this first section represents my attempts to summarise the complex analysis and argument which is advanced by Professor Stieber in the sections that follow. He is in no way responsible for its shortcomings and over-simplifications, although every attempt has been made to avoid misrepresenting his position. W. M.

is covered by arbitration can itself be settled by reference to an arbitrator. In general unions tend to favour broad arbitration provisions, while companies prefer provisions of a more limited scope.

5. Over half of known arbitration agreements specify a single arbitrator agreed by the parties, but many provide for a Tripartite Board with "partisan" members from both sides and an "independent" chairman. The recent tendency has been for an increasing use of *ad hoc* arbitrators, who may specialise in particular types of dispute. Recent studies suggest that about 85 per cent of arbitration agreements provide for *ad hoc* arbitration. There has been a corresponding decline in permanent boards of arbitration, and this type of arrangement is now mainly confined to large multi-plant companies. This development is at variance with the prognostications and preferences of many early arbitrators, who saw *ad hoc* arbitration as at best a "transitory method" which would eventually give way to more stable arrangements employing arbitrators who were experienced in the needs and preferences of particular firms and unions. An effect of the decline in permanent arrangements is said to be a reduction in the use of *mediation* by the arbitrator. This practice reached its fullest expression in Tripartite Boards, where an "impartial chairman" was expected to operate a "system for resolving all problems that arise during the life of the contract, utilising a technique of continuing negotiations", viewing himself as "a mediator who is vested with reserve powers to render a final and binding decision". Professor Stieber argues that the decline of this system has lead to an increase in the judicial element in arbitration decisions, since an arbitrator who meets the parties for the first (and often the last) time at the arbitration hearing "must of necessity serve in a judicial capacity". He believes that it can be shown that such an increase in the judicial aspect of arbitration meets the needs of the parties as decisions accumulate and precedents are established. Gradually arbitration becomes more predictable and arbitrators more interchangeable. As a result the outcome of routine grievances can be predicted, and arbitration is used to settle outstanding issues where the parties require a quick and binding decision.

6. However, it is not argued that developments in the United States can be said to show that there is one correct or "right" approach to arbitration; in fact the continued coexistence of many different forms and styles of grievance arbitration implies that no single approach is likely to fit all situations. In the last analysis grievance arbitration emerges as a flexible tool, which must be adapted to the industrial relations system within which it operates.

7. American arbitrators work within a legal framework, in that collective agreements are legally enforceable in the United States, including provisions for arbitration. Yet this should not be taken to imply that grievance arbitration *needs* legal enforcement to make it effective. For many years it flourished without such support, and in the last analysis its acceptability and use derives from the good faith and preferences of the parties.

8. Despite the existence of grievance arbitration about a third of all strikes occur during the run of a collective contract. These are partly due to the fact that certain subjects are often excluded from the application of arbitration, but many strikes are clearly in breach of arbitration provisions

and unauthorised by the unions concerned. There are no accurate data on the extent of unauthorised strikes but Professor Stieber gives reasons for supposing that in recent years unauthorised strikes have accounted for about 20 to 25 per cent of workers involved and 25 to 30 per cent of all strikes.

9. It can be seen that arbitration cannot be said to have come close to eliminating unauthorised strikes, although there are still proportionately *more* unauthorised strikes in Britain than America. Professor Stieber argues that many reasons can be given for the difference in the experience of both countries—including our system of national bargaining, our union structure, and the position of shop stewards in Britain. Nevertheless, he maintains that within the American system of detailed company agreements of a limited duration the provision of grievance arbitration is a factor in reducing unauthorised strikes. He also argues that many unofficial strikes occur because workers desire a quick settlement which can operate retrospectively. This is particularly important in relation to cases of alleged victimisation and dismissal, which are responsible for a substantial proportion of unauthorised strikes in this country. (As has been said roughly 20 to 25 per cent of arbitration cases in the United States deal with such matters.) Finally, some 20,000 disputes each year are resolved by arbitrators. Hundreds of thousands of others are decided by negotiation, in order to avoid a reference to arbitration. "Common sense dictates that in the absence of such orderly procedures, a substantial number of these grievances would go unheard and unresolved, and some proportion would eventually erupt in unauthorised work stoppages." Professor Stieber concludes that when due allowance has been made for differences in the institutional, legal and social framework, the system "may have something to offer other countries".

W.M.

## A. INTRODUCTION

10. The United States is unique among industrialised nations in the extent to which its industrial relations system relies upon private voluntary arbitration to resolve disputes which arise during the term of an agreement. "The essence of the grievance procedure is to provide a means by which an employee, without jeopardizing his job, can express a complaint about his work or working conditions and obtain a fair hearing through progressively higher levels of management."<sup>2</sup> Virtually all collective bargaining agreements in the United States include a procedure for handling grievances and, according to the Bureau of Labor Statistics (BLS), 94 per cent of all agreements provide for final and binding arbitration as the terminal step should the dispute not be settled at an earlier stage in the grievance procedure.<sup>3</sup>

<sup>2</sup> *Major Collective Bargaining Agreements: Grievance Procedures*, Bulletin No. 1425-1, US Department of Labor, Bureau of Labor Statistics, Washington: November, 1964, p. 1.

<sup>3</sup> Statistics regarding arbitration procedures used throughout this paper, unless otherwise noted, are taken from *Major Collective Bargaining Agreements: Arbitration Procedures*, Bulletin No. 1425-6, US Department of Labor, Bureau of Labor Statistics, Washington: June, 1966. This study is based on an analysis of 1,717 collective bargaining agreements, each covering 1,000 workers or more, representing practically all agreements of this size in the United States, exclusive of railroad, airline, and government agreements. The agreements cover 7.4 million workers, slightly less than half of all workers covered by collective bargaining agreements outside of the excluded industries. Statistics in the report relate to agreements in effect in 1961-62.

11. In contrast to the widespread availability of voluntary arbitration in disputes arising under the agreement (i.e., so-called disputes of right), collective bargaining contracts<sup>4</sup> rarely include provisions to arbitrate disputes arising out of the negotiation of new agreements or contract reopening provisions (i.e., so-called disputes of interest). Less than 2 per cent of 1,717 major agreements studied by the BLS provided for arbitration of disputes over the terms of new contracts and only 4 per cent included provisions to arbitrate disputes arising out of reopenings on wages or other economic issues during the term of the contract. While contractual commitments to arbitrate rights disputes have shown a steady increase during the last twenty years—from 73 per cent in 1944, 83 per cent in 1949 and 89 per cent in 1952—arbitration clauses covering interest disputes, which were never very common, have become even less popular during the last decade.

12. A third category of disputes in which arbitration is sometimes invoked involves differences between two or more unions as to which one is to perform a certain type of work, commonly called "jurisdictional disputes". Arbitration of jurisdictional disputes is confined almost exclusively to the construction industry where a procedure has been established by unions and contractors to resolve such disputes through a tribunal consisting of an impartial chairman and an equal number of union and employer representatives. The AFL-CIO also has a procedure providing for arbitration of disputes between its affiliates over organising jurisdictions and alleged charges of raiding.

13. This paper will concern itself only with the first of these three types of arbitration—voluntary arbitration of grievances—as it is practised in the United States. Its purpose is not to argue that grievance arbitration should be adopted in Great Britain, but rather to acquaint the Royal Commission and the readers of this paper with some of the salient features of labour arbitration in the United States and our experience with the arbitration process. It is left to the Commission to decide the extent to which it considers that the American experience has applicability to the industrial relations system in Great Britain.

## B. EVOLUTION OF ARBITRATION<sup>5</sup>

14. The concept of arbitration of industrial disputes is at least 150 years old. The same Act of Parliament which repealed the Combination Acts of 1824, outlawing unions, also provided for settling labour disputes by voluntary tribunals or through the courts if the parties failed to act. Both the term "arbitration" and its use in the United States was strongly influenced by developments in England. In the United States the first known instance of voluntary arbitration occurred in 1865 in a dispute involving the iron puddlers in Pittsburgh. Following the railroad strike of 1877 and continuing through the 1880's and 1890's, there was great public interest in arbitration.

<sup>4</sup> The terms "contract" and "agreement" are used interchangeably in this paper.

<sup>5</sup> This section draws heavily from Edwin E. Witte, *Historical Survey of Labor Arbitration*, Labor Relations Council of the Wharton School of Finance and Commerce, University of Pennsylvania Press, Philadelphia; 1952; and "The Future of Labor Arbitration" by Edwin E. Witte, *The Profession of Labor Arbitration*, published by the Bureau of National Affairs Washington, D.C. for the National Academy of Arbitrators, 1954.

The latter part of the 19th century, according to Professor Edwin E. Witte, was a period in which "labour arbitration made only slow progress in actual use but in which a growing public interest in the institution and a beginning of an appreciation of its essential nature became manifest".

15. But few labour disputes were arbitrated before the First World War. The Bureau of Labor Statistics has found 54 arbitration cases involving "wages and hours" issues prior to 1915. Up to that time, arbitration was usually considered as a way of settling or preventing strikes. Arbitration as a method of resolving disputes over contract interpretation, application and administration was virtually unknown.

16. A significant development in the history of arbitration was the inclusion of provisions for arbitration in trade agreements between employer associations and unions. The earliest of these was the agreement between the American Newspaper Publishers Association and the International Typographical Workers Union in 1900. This was followed a few years later by a similar agreement between the publishers and the International Printing Pressmen's Union. Other such agreements before World War I involved the street railway and clothing industries. In all of these early arbitration agreements there was no distinction between interest disputes and rights disputes, and the former seems to have been the type of dispute the parties were most concerned about. The Anthracite Conciliation Board, set up in 1903 by the Anthracite Coal Strike Commission, which was bipartite but provided for an impartial umpire to be called in if the parties could not agree, was the first permanent machinery established in the United States to resolve disputes over the interpretation and application of an agreement. It was the real beginning of grievance arbitration.

17. Arbitration made considerable progress during World War I. The Government took the position that strikes could not be tolerated in wartime and that all labour disputes in war industries must be settled by arbitration. The War Labor Board functioned as an arbitration tribunal in many cases and decided all disputes which might lead to strike action, with the parties stipulating in advance that they would abide by the decisions. In meat packing and in a few other industries, machinery for arbitration of all disputes not settled by negotiations was started during this period.

18. The New Deal era of the 1930's saw a further advance in the use of arbitration. The Federal Conciliation Service, which encouraged inclusion of arbitration provisions in agreements, maintained a staff of full-time arbitrators and designated *ad hoc* arbitrators upon request of the parties, was strengthened during the depression. In 1937 the American Arbitration Association was established and eventually became a potent force in the growth of private voluntary arbitration. Most important was the passage of the National Labor Relations Act in 1935 which provided for the recognition of unions and promoted collective bargaining, both of which are conditions for the development of grievance arbitration. The late 1930's saw the emergence of arbitration as a profession although there were still only a few practitioners of the art.

19. The greatest impetus to both the institution of arbitration and the development of future arbitrators was provided by World War II. The War Labor Board handled over 2,000 cases and inserted arbitration as the

terminal step in the grievance procedure in every case in which the issue arose. The Board sent many disputes to final and binding arbitration and many well-known arbitrators handled their first case on referral from the War Labor Board.

20. World War II experience with arbitration was so successful that participants in the President's Labor-Management Conference of 1945 unanimously agreed upon the advisability of including provisions for arbitration in collective bargaining agreements. This was about the only issue on which labour and management were in agreement in a Conference which failed utterly in its objective of promoting harmonious industrial relations during the post-war years. By 1948, 70 per cent of all major contracts contained provisions for arbitration, including those in mass production industries which had refused to recognise unions before the war.

21. The next step in advancing the cause of arbitration grew out of a provision in the Taft-Hartley Act of 1947 calling upon the Federal Mediation and Conciliation Service to try to induce the parties to agree "to other means of settlement" when conciliation fails. This provision gave statutory support to the Service's encouragement of arbitration. Another section of the Act (301) established the principle that the collective bargaining agreement is a legally enforceable contract by allowing unions and employers to bring suits for damages in federal courts for contract violations. This provision further encouraged some unions and companies to include final and binding arbitration in their agreements for fear that without such arbitration they might be involved in countless law suits.

22. By the 1950's labour arbitration was a full-grown and well-established part of the American system of industrial relations. We turn next to an examination of some aspects of arbitration as it exists today.

### C. EXTENT OF ARBITRATION

23. Despite the prevalence of private voluntary arbitration as a way of resolving grievance disputes, its widespread endorsement by unions, management and government, and its standing as a uniquely American institution, there are no accurate records of the number of grievances arbitrated, the issues involved, the number of arbitrators or their decisions. The paucity of information stems from the private and voluntary nature of grievance arbitration as it is practised in the United States. It is voluntary in that the parties are under no obligation to include provisions for arbitration in their agreements. Even when arbitration is included in the agreement, there is no public record of the number of grievances arbitrated, let alone the issues involved or the outcome of the disputes. Parties are free to appoint arbitrators with or without outside assistance. The arbitrator's responsibility is to the parties alone and it is generally accepted that decisions may not be published without their permission.

24. We do have enough knowledge about the arbitration process to know that the number of cases arbitrated has been increasing, we have a reasonably good idea regarding the relative frequency with which different issues occur, and there is a growing body of published decisions which have served to establish widely accepted principles with respect to a variety of issues. The

information on grievance arbitration comes largely from the two major agencies which assist the parties in the selection of arbitrators, the American Arbitration Association (AAA) and the Federal Mediation and Conciliation Service (FMCS), from the National Academy of Arbitrators (NAA) which includes among its membership arbitrators with substantial experience, and from the major services which publish arbitration decisions, the Bureau of National Affairs (BNA) and Commerce Clearing House (CCH).

25. Both the AAA and the FMCS report large increases in the number of arbitrators appointed and the number of cases decided under their auspices during the last decade. About 2,000 arbitration awards were issued in cases handled by the AAA in 1966, an increase of more than 50 per cent over 1957.<sup>6</sup> There was a steady rise until 1963 when the case load stabilised at about the current level. The FMCS reported an increase from 917 arbitration awards by arbitrators appointed through that agency in fiscal year 1957 to 1,887 in 1965, an increase of over 100 per cent.<sup>7</sup> In both agencies there were more than twice as many requests for arbitration panels as decisions, reflecting the large and increasing number of cases settled after a panel of arbitrators had been requested and the number of cases settled after appointment of an arbitrator but before an award was made. The National Academy of Arbitrators survey in 1964 found that in some 30 per cent of all cases in which its members were designated as arbitrators, no award was rendered due to withdrawals, settlements or cancellations.<sup>8</sup> This would seem to indicate that the availability of arbitration does not necessarily stifle negotiations by the parties and may, in fact, tend to put pressure on the parties to reach their own decision rather than risk an arbitration award.

26. But the approximately 4,000 cases handled by the two major appointing agencies represent only a small proportion of the total cases arbitrated in any given year. The BLS study found that 30 per cent of the agreements made no reference to outside assistance in selection of arbitrators and, in about 50 per cent of the agreements, outside assistance was to be sought only if the parties themselves were unable to agree on an arbitrator. The larger the number of workers covered by an agreement, the more likely that the parties will not utilise outside agencies in selecting an arbitrator, either because they have a permanent arbitration system or because they have had sufficient experience with arbitration to agree on a mutually acceptable arbitrator. This finding is consistent with the survey by the National Academy of Arbitrators among its own members which found that one-third of all cases were decided under a permanent arbitration arrangement and that 43 per cent of their *ad hoc* appointments were made directly by the parties without resort to an outside agency. These proportions are undoubtedly much higher among NAA members than among all arbitrators because they are more likely to serve as permanent arbitrators and are sufficiently well known to enhance their chances for direct selection by the parties. Still there is abundant evidence that the AAA and FMCS cases represent a small

<sup>6</sup> *Arbitration News*, American Arbitration Association No. 3, 1967 and letter AAA Labor Management Institute dated April 14, 1967.

<sup>7</sup> *Eighteenth Annual Report Fiscal Year 1965*, Federal Mediation and Conciliation Service, Washington: 1966.

<sup>8</sup> *Proceedings of the Eighteenth Annual Meeting of the National Academy of Arbitrators*, 1965 published by the Bureau of National Affairs, Washington: 1965.

minority of all cases decided through arbitration. Morris Stone, editorial director of the AAA, has estimated that about 20,000 grievances are arbitrated in the United States each year.

27. Only a very small proportion of all arbitration decisions are published. In a recent 12-month period the BNA published some 1,300 decisions and the CCH 1,800, many of them overlapping. Members of the NAA published 609 decisions in 1964, only 1 out of every 7 they rendered. Other arbitrators probably publish an even smaller proportion of their decisions. Even when one makes allowance for publication through other sources and private circulation of decisions by employer associations, unions and consultant services, it is evident that awards available to persons other than the parties themselves constitute only a small and unrepresentative sample of all arbitration decisions. Yet employers and unions often base their selection of arbitrators on published decisions, which at best represent only a very small selected sample of an arbitrator's total awards and can be quite misleading as to an individual's approach to specific issues.

28. Issues submitted to arbitration show considerable variation with economic conditions generally and in particular industries. In recession periods, disputes over seniority in demotion and layoff tend to increase, while in prosperous times, disputes over such issues as overtime work and incentive rate standards are likely to increase. However, certain issues tend to occur quite frequently regardless of economic conditions. Discipline and discharge cases account for 20-25 per cent of all cases in most years. Other frequently arbitrated issues involve management rights, job classification and work assignment, overtime hours, seniority in demotion, layoff or promotion, arbitrability, pay for time not worked, and vacation and holiday pay.

#### D. SCOPE OF ARBITRATION

29. Most agreements impose some restriction or exclusion on employee complaints which may be dealt with in the grievance procedure, or in arbitration, or in both. Only 340 of the 1,717 major agreements covered in the BLS study provided for the ultimate in the handling of employee complaints; every grievance guaranteed a hearing and every grievance dispute a settlement. In 70 per cent of agreements with arbitration clauses, the jurisdiction of the arbitration provision was the same as that of the grievance procedure.

30. The most common restriction on arbitration limited arbitrable issues to those involving the interpretation, application or violation of the agreement. Considering the expanded breadth and flexibility of the arbitration process as a result of recent Supreme Court decisions, which will be discussed later, this is indeed a minor limitation. When one considers that two-thirds of all major contracts guarantee arbitration, either of all disputes without exception or of all disputes over the interpretation, application or violation of the agreement, it is clear that not many differences between employees and employers are excluded from the scope of the arbitration process. What are these issues which management and/or unions have seen fit to exclude explicitly from the arbitration process?

31. The excluded issues are found in 348 agreements covering 2.2 million workers in the BLS study. Because some agreements bar more than one issue from arbitration, the number of exclusions, 456 in all, exceeds the number of agreements. While the reasons for excluding specific issues from arbitration are not known, it is likely that "underlying many exclusions was a strongly held belief of one or both parties that the issue in question was too important or too subtle to be entrusted to a decision of a third party".<sup>9</sup>

32. About half of all issues excluded from arbitration involved wage adjustments other than general wage changes (e.g. individual wage rate inequities, job classification and job evaluation, incentives or piece rates and merit increases). Some one-fourth of all exclusions related to disputes over plant administration matters, including production standards, discharge and discipline, scheduling of hours and overtime, and management rights. The other exclusions principally pertained to job security, administration of employee benefit plans and union security provisions. Whether or not a dispute involves an excluded issue is itself a debatable and often an arbitrable question—this would be especially true of agreements which exclude "management prerogatives" or "management rights" without further elucidation of what is meant by such terms.

33. Certain excluded issues are associated with particular industries. Thus, United Steelworker agreements in basic steel and related industries usually exclude alleged wage rate inequities between existing jobs though rates set on new or changed jobs are arbitrable. Production standards are not subject to arbitration in 29 agreements covering 430,000 workers, most of them under contracts between the United Automobile Workers (UAW) and automobile companies. Among the most restrictive arbitration clauses are those negotiated in 1963 in the General Electric and Westinghouse Corporations, over the strong objection of the International Union of Electrical Workers (IUE).<sup>10</sup> These agreements reflected concern by the companies over the impact of Supreme Court decisions in 1960 which significantly broadened the scope of arbitration. They provide for arbitration, at the request of either party, only of disputes concerning disciplinary actions and violations of specific provisions of the agreement. In addition, specific listed issues are excluded from arbitration except by mutual consent of the parties.

34. The opportunity to make arbitration provisions either more or less inclusive and to revise grievance and arbitration procedures each time a contract is open for negotiations is an important aspect of grievance arbitration in the United States. Both unions and managements try to avail themselves of this opportunity on the basis of their own experience and court decisions. The General Electric and Westinghouse cases have already been cited. On the union side, at the 1966 UAW collective bargaining convention, delegates adopted a resolution to remove subcontracting of work to outside firms from the arbitration process and to make it an issue over which the union would have the right to strike during the term of the agreement. As a rule,

<sup>9</sup> *Arbitration Procedures*, op. cit., p. 11.

<sup>10</sup> These agreements were not included in the BLS study which covered contracts in effect in 1961-62.

unions tend to favour broad arbitration provisions, while companies usually prefer provisions of more limited scope. The IUE 1966 convention adopted a resolution which stated, in part, that "grievance meetings involving subjects that are excluded from arbitration have been for the most part an exercise in futility and frustration leading to costly work stoppages that are detrimental to both the union and the company". While the IUE resolution reflects the position of a relatively weak union facing such industrial giants as General Electric and Westinghouse, many other unions would subscribe to the views expressed therein.

35. Since only a small proportion of agreements provide for arbitration of any and all unsettled grievances without exception, disputes often arise over whether an issue falls within the scope of the arbitration clause. The question may be whether a dispute is over the "interpretation, application or violation of the agreement", a limitation contained in more than half of all agreements. Or, if there are specific exclusions from arbitration, the question may be whether a particular grievance falls within the scope of an excluded issue. Disputes over arbitrability are usually heard and decided by the same arbitrator who decides on the merits of a case. However, some contracts require that different arbitrators be selected to pass on the issue of arbitrability and the merits. A significant exception to the practice of letting arbitrators decide questions of arbitrability is found in the aforementioned General Electric and Westinghouse Agreements. Under these contracts, if either party questions the arbitrability of an issue, arbitration is permitted only after a court determines that the issue is arbitrable and directs arbitration.

## E. THE ARBITRATION TRIBUNAL

36. Although almost all arbitration cases are initiated by unions, 90 per cent of all agreements with arbitration clauses permit either party to refer disputes to arbitration. The remaining contracts provide for initiation of arbitration by the "aggrieved party", by the union, or only by mutual consent. The 72 agreements which specified the union as the referral agent presumably bar management or an aggrieved employee from appealing a dispute to arbitration on his own. The problem of the right of an individual employee to utilize the arbitration process, when his union does not choose to do so, has been the subject of much controversy. The Supreme Court has said that there is an implied contractual obligation on the part of the union to treat individuals fairly in the course of interpreting the contract. This raises the question of how accessible the arbitration machinery should be to the individual for purposes of determining his contractual rights. As a result of court and NLRB decisions there is a strong likelihood of successful legal action against unions and/or companies for failure to accord an individual fair representation rights. But a satisfactory solution to this problem has not yet been found.<sup>11</sup>

37. Most agreements specify a time limit on appeals to arbitration, dating from management's reply in the last step of the grievance procedure. Agreements generally allow one to four weeks, but some give only a few days and a few allow up to several months or even a year. Some agreements provide

<sup>11</sup> For a good discussion of individual rights in arbitration see R. W. Fleming, *The Labor Arbitration Process*, University of Illinois Press, Urbana: 1965, Chapter 5.

different time limits for specific issues. Mainly, these cover grievances over discharge and discipline, or other matters involving retroactive adjustments, for which shorter time limits, ranging from 3 to 10 days, are specified.

38. Agreements conspicuously avoid reference to mediation by arbitrators. Only a few expressly permit mediation and none of those examined in detail require the arbitrator to attempt mediation. Arbitrators rarely try to mediate a dispute unless the parties ask them to. Permanent arbitrators are more likely to attempt mediation than *ad hoc* arbitrators who usually have had no previous contact with the parties. For the most part, unions and companies, once they decide to go to arbitration, want a decision and do not welcome efforts to mediate on the part of the arbitrator.

39. Agreements tend to be fairly explicit on the method of selection of an arbitrator. Over half provide for a single arbitrator and more than 40 per cent call for arbitration by a tripartite board. Some agreements allow either, and a small number provide for a single arbitrator on some issues and a board on others. Where a board is used, a common practice is to permit the partisan members to try to settle the dispute before calling in an impartial chairman. It is not uncommon for the parties to ask an arbitrator to serve by himself even though the agreement provides for a tripartite board.

40. *Ad hoc* arbitration, the selection of an arbitrator or arbitration board for each dispute, is far more common than reliance upon permanent arbitrators. The BLS study found that 85 per cent of all arbitration provisions called for *ad hoc* selection of arbitrators as compared with 80 per cent in 1952. The use of permanent arbitration declined from 17 per cent of all agreements in 1952 to 14 per cent a decade later. The trend has been towards *ad hoc* arbitration by a single arbitrator.

41. Permanent arbitration is found most often in large multi-plant companies and under multi-employer contracts. Because of the greater prevalence of permanent arbitration in large companies, some 25 per cent of all workers were covered by such agreements—almost twice the proportion of contracts with permanent arbitration. Permanent arbitration is found most frequently in apparel, hotels, restaurants and service industries where multi-employer bargaining prevails, and in transportation equipment, primary metals, rubber and machinery industries where contracts tend to cover large employers with many plants.

42. *Ad hoc* arbitrators are selected in a variety of ways: directly by the parties, with the assistance of governmental or private agencies, or, on occasion, by outside agencies alone. The Federal Mediation and Conciliation Service or the American Arbitration Association, both of which maintain extensive lists of arbitrators, are specified most frequently as sources of outside assistance in selection of arbitrators. These agencies, upon request, submit an identical list of names to each of the parties, who return the list with an indication of the name or names considered acceptable in order of preference. The agency then selects the arbitrator from the names approved by both parties. Some agreements state that assistance in selection of arbitrators is to be sought from State or City mediation agencies and Federal or State judges.

43. Permanent arbitrators are usually specified by name in agreements with provision for permanent arbitration. Some agreements list a panel of arbitrators who serve on a rotating basis or on assignment by one of their

number who serves as chairman of the panel. Most permanent arbitrators serve for the duration of the contract. They are, of course, subject to re-appointment and some parties have used the same arbitrator for many years. Some agreements simply state that the arbitrator is to serve at the pleasure of the parties and is subject to removal at the request of either the union or the company.

44. Costs of arbitration are almost invariably shared equally by the parties. Under a few agreements, the losing party pays the entire cost of arbitration, a practice which has little to commend it. Both the FMCS and AAA notify the parties of the arbitration fee charged by arbitrators when they submit names for approval. *Per diem* fees in *ad hoc* cases range from \$75 to \$200, with an average of about \$140. Arbitrators generally charge for hearing days, study and preparation of the decision, and travel time. The average fee per case for arbitrators appointed by the FMCS in 1965 was \$381. Other expenses of arbitration include attorneys' fees where the parties choose to be represented by lawyers, cost of a transcript if desired by the parties, and pay for lost time to members of the grievance committee and witnesses. These costs, most of which are avoidable, often exceed the arbitrator's fee and expenses. Another way in which the parties might reduce the cost of arbitration is by requesting the arbitrator to render an award without an accompanying opinion. In most cases this would reduce the arbitrator's fee by at least 50 per cent. Despite frequent complaints about the high cost of arbitration, especially from unions, the parties have rarely been willing to accept an award without an opinion explaining the rationale for the decision.<sup>12</sup>

#### F. VARIETIES OF ARBITRATION

45. During the formative years of arbitration, the use of the same individual or board to resolve disputes between a company and its union (permanent arbitration) was far more common than the selection of an arbitrator for each individual case (*ad hoc* arbitration). The apparent advantage of permanent arbitration—the opportunity for the arbitrator to become thoroughly familiar with the parties and their collective bargaining relationship as well as with problems peculiar to the industry—led most professionals in the field to expect that permanent type arrangements would eventually come to prevail in American industry. Speaking before the second annual meeting of the National Academy of Arbitrators in 1949, Dr. George Taylor said: “*ad hoc* arbitration, at best, is a transitory method” entailing disadvantages that far outweigh the advantages to labour, management and arbitrators. He suggested that permanent arbitration is the prime requisite to support industrial relations stability.<sup>13</sup>

46. Taylor, one of the early permanent arbitrators and a frequent chairman of presidential boards appointed in major industrial disputes, proved to be a poor prognosticator. As noted earlier, some 85 per cent of all agreements with arbitration provisions in 1961–62 called for *ad hoc* arbitration. Permanent arbitrators are more commonly utilised by large multi-plant companies, while small and medium size employers tend to prefer *ad hoc*

<sup>12</sup> Note: The practice of providing the ‘rationale’ or reason for decisions is quite at variance with normal practice in this country. W. M.

<sup>13</sup> *The Profession of Labor Arbitration*, op. cit., p. 40.

arrangements. The durability and popularity of *ad hoc* arbitration is explained in part by the large number of companies and unions which arbitrate only a few cases a year and do not consider it worthwhile to try to agree on a permanent arbitrator; in addition, many companies and/or unions, including some with a sizeable case load, prefer to retain freedom of choice among arbitrators on a case by case basis, depending on the issue involved.

47. The growth of *ad hoc* arbitration has had an important influence on the nature of the arbitration process and the role of the arbitrator. An arbitrator who meets the parties for the first (and often the last) time at the arbitration hearing must of necessity serve in a judicial capacity, rather than as a mediator. Indeed this was one of the reasons Taylor, a strong believer that successful grievance arbitration must partake of both the mediation and the judicial process, favoured the permanent type arrangement. He even questioned whether *ad hoc* arrangements might not do more harm than good because of the possibilities opened up for conflicting awards which might increase rather than decrease the range of differences between the parties. But even permanent arbitration has tended to emphasise the judicial over the mediation role of the arbitrator.<sup>14</sup> Because of its prevalence in key, mass production industries employing large numbers of workers, and the great influence of prominent arbitrators holding permanent appointments upon the profession as a whole, it is worth examining the evolution of permanent arbitration. Particularly noteworthy is the variety among systems in the early years and the trend towards uniformity as collective bargaining and arbitration matured together.

48. Two major types of permanent arbitration were well-established by 1940: the impartial chairman and the umpire system. The impartial chairman approach is "a system for resolving all problems that arise during the life of a contract, utilising a technique of continuing negotiations, and centring on a mediator who is vested with the reserve power to render a final and binding decision".<sup>15</sup> The umpire arrangement has been defined as "a system of adjudication of those rights and duties which are recognised by the language of an existing agreement between the disputing parties".<sup>16</sup>

49. The first successful impartial chairmanship was established in 1911 in the Hart, Shaffner and Marx men's clothing company in Chicago. The arbitrator, John Williams, a former coal miner and arbitrator in the bituminous coal industry, acted like a court of equity rather than a court of law. He also participated actively in negotiations between the parties. George Taylor, the foremost current exponent and practitioner of the impartial chairman system, has described the essence of mediation, which is inherent in the impartial chairman system, as the development of "the consent to lose". The impartial chairmanship approach has been utilised for the most part in the men's clothing industry and in other branches of the garment industry, including hosiery.

<sup>14</sup> "Constraint and Variety in Arbitration Systems" by Charles C. Killingsworth and Saul Wallen, in *Labor Arbitration: Perspectives and Problems*, Proceedings of the Seventeenth Annual Meeting of the National Academy of Arbitrators, Bureau of National Affairs, Washington: 1964. This section draws heavily upon this excellent article.

<sup>15</sup> *Ibid*, p. 60.

<sup>16</sup> *Ibid*, p. 62.

50. The umpire system originated in the anthracite coal industry as a result of an award by the Anthracite Strike Commission of 1903. A Board of Conciliation, made up of an equal number of management and labour representatives, considered grievances at formal hearings at which a verbatim transcript was made, and collected relevant documents and exhibits. The entire record was then mailed to the umpire who reached his decision without any formal communication with the parties and mailed it to them. Unlike agreements in industries with impartial chairmanships, which were brief and general in terminology, those using the umpire system tended to have long, detailed and specific contracts. The scope of arbitration was restricted to interpretation and application of the agreement and the umpire acted as an adjudicator rather than a mediator.

51. The first major corporation in heavy manufacturing to adopt a system of permanent arbitration was General Motors which, in 1940, agreed with the United Automobile Workers (UAW) to appoint an umpire to decide unsettled grievances. After the first few years, during which the arbitrators were given fairly broad scope, the parties made it clear that they preferred a "strictly judicial" approach with the arbitrator basing his decisions entirely on formal hearings without any discussion with the parties and no efforts at mediation.

52. Ford Motor Company and the UAW went through an experience somewhat similar to that at General Motors. Starting in 1943, they retained as their umpire Harry Shulman, dean of the Yale Law School, whose approach to arbitration was highly informal and whose decisions were generally the product of mediation rather than adjudication. Shulman's tenure as umpire was ended by his death in 1955. But towards the closing years of his umpiership the parties felt that they had outgrown his approach to arbitration and made it clear to his successor that they preferred the adjudication approach to Shulman's free-wheeling mediation style.

53. The third major automobile company, Chrysler, has had a somewhat different arbitration history. Arbitration between Chrysler and the UAW was ordered in 1943 by a War Labor Board directive which contemplated an impartial chairmanship system under which the arbitrator would function as a mediator to resolve disputes arising under the contract. The parties however had other ideas. For twenty years, the first Chrysler-UAW umpire rendered decisions without even hearing a witness or making a plant inspection. He acted like an appellate court rather than a judge, basing his decisions on a written record and arguments by partisan members of an appeals board. His jurisdiction was limited to specified provisions of the agreement. In 1962 the parties revamped their procedure to conform to the GM-UAW and Ford-UAW approach, providing for appearance at hearings of witnesses and other company and union representatives.

54. In summary, the experience with permanent arbitration in the automobile industry illustrates a process characterised by initial diversity and ultimate uniformity. Killingsworth and Wallen suggest that this trial and error progression represents "a kind of Darwinian adaptation to environmental necessities".

55. In the basic steel industry the judicial approach characterised arbitration from the outset. The first agreement between the United States Steel Corporation and the Steelworkers' Union contained a provision for *ad hoc*

arbitration, with no procedure for breaking the deadlock if the parties could not agree on an arbitrator. The result was that few arbitrators were appointed and few cases were heard. During the war, as a result of pressure by the War Labor Board to reduce the accumulated backlog of grievances, more cases were decided. The war experience apparently confirmed the worst fears of the steel companies concerning the ignorance of outsiders about the steel industry and, in 1945, US Steel and the Steelworkers agreed to a system of permanent arbitration. For six years a tripartite board with a neutral chairman decided cases by majority vote. But, in 1951, the partisan members were dropped and since then the chairman of the Board of Arbitration has functioned as sole arbitrator. Sylvester Garrett, who has served as the arbitrator since 1951, regularly reviews and discusses drafts of his decisions with designated company and union representatives, who function as consultants to the arbitrator rather than as advocates. But the decision is his alone. Most other major steel companies also relied on *ad hoc* arbitration at the outset and then switched to a permanent judicial-type system of arbitration. The Steelworkers' Union strongly favours permanent arbitration and has successfully pressed for establishment of permanent umpireships in several companies. In fact, the director of the union's arbitration department would like to see a co-ordinated system of arbitration which would include all steel companies which bargain with the Steelworkers' Union.

56. The history of arbitration in the rubber industry was somewhat similar to that in steel. The companies and the union started with *ad hoc* arbitration during the war years when strikes and slowdowns were contrary to national policy. After several years of experience with *ad hoc* arbitration, the major companies agreed to the establishment of permanent umpireships.

57. In the remainder of mass production industry, *ad hoc* arbitration generally prevails. Where permanent systems have been adopted, they tend towards the umpire-judicial rather than the impartial chairman-mediation model. The impartial chairman system has been retained in a few industries such as clothing where it was established many years ago. The construction industry also had a jurisdictional disputes board, which functioned like an impartial chairmanship for many years, under the direction of Professor John Dunlop. In recent years several industries centred in New York City have had essentially impartial chairman systems with Theodore Kheel serving as the neutral member. It is interesting to note that the impartial chairman approach is almost always accompanied by the availability of a strong and talented mediator who holds the chairmanship for a long time. When the tenure of such an individual is terminated, voluntarily or otherwise, he often is succeeded by an arbitrator who functions under an umpire-judicial system of arbitration.

58. Killingsworth and Wallen explain the preference for the umpire-judicial approach over the impartial chairman-mediation model to the changing industrial environment in which arbitration has operated over the past 25 years. The post-war years have not been hospitable to the impartial chairmanship approach, which functions best in an "unstructured environment" with few guideposts for decision-making. The main job of the neutral in such an environment is to achieve consensus. Industries which

fit this pattern tend to be small, highly competitive, combine the functions of ownership, management and direction of labour relations in one man, and place great importance on standardisation of labour cost. In firms operating in such industries, labour-management co-operation is the rule rather than the exception and there is little need for formalised policies and procedures spelled out in detailed agreements.

59. Mass production industries in the United States present an entirely different environment. The automobile, steel, rubber and other industries have been dominated by a few large multi-plant firms; during the early years of collective bargaining, most managements wanted to "contain" or even eliminate unions, and labour relations were conducted by officials well down in the management hierarchy who often lacked authority to make basic policy decisions. In such an environment, managements were wary of the "problem-solving" approach to grievance settlement, and insisted that the sole source of union rights and management obligations was to be found in the written agreement. Obviously the umpire-judicial approach to arbitration was more suited to this environment than the impartial chairman-mediation model.

60. As arbitration matures, the guideposts for decision-making become more numerous, more detailed and more explicit. Arbitrators become more inter-changeable and decisions more predictable. This is particularly true in an umpire system. But even under an impartial chairman system, the scope for mediation tends to be reduced as decisions accumulate and precedents are established. This should lead, and in some companies has led, to a reduction in case loads because the parties can often predict the outcome of routine grievances if they go to arbitration and prefer to reach their own settlement using guideposts laid down in previous decisions.

61. Particularly important for any country considering the introduction of arbitration into its system of industrial relations is the recognition that there is no "best" or "right" approach to arbitration. Furthermore, no single approach is likely to fit all situations. Hence the co-existence of *ad hoc* permanent umpire and impartial chairman systems in the United States. While study, examination and consideration of different systems is always desirable, in the last analysis arbitration must be adapted to the industrial relations system and the industrial environment rather than the other way around.

## G. WHO ARE THE ARBITRATORS?

62. Nobody knows how many labour arbitrators—full-time and part-time—there are in the United States. The National Academy of Arbitrators' roster of 340 members in 1966 includes the most experienced and most active arbitrators in the country. But there are many arbitrators who are not members of the Academy. The FMCS had about 1,000 names on its panel of labour arbitrators in 1965 and the AAA has 1,500 names on its national panel. State mediation agencies also maintain panels. Since there is considerable overlapping among these lists, the largest figure is a very rough approximation of the number of individuals available for arbitration assignments.

63. But the number of "acceptable" arbitrators is much smaller. The AAA reports that only about one-third of the arbitrators on its panel actually sit on arbitration cases. The FMCS has a similar problem with 25 per cent of the arbitrators on its roster getting 75 per cent of the cases.<sup>17</sup> Despite the large number of individuals whom the appointing agencies have deemed qualified to serve as arbitrators, many employers and unions prefer to limit themselves to the relatively small number of men that they have used in the past with satisfactory results. It is not unusual for parties to wait several months for an experienced arbitrator rather than accept an "unknown" arbitrator. This has contributed to a growing time lag between the request for arbitration and the rendering of the arbitration decision. The FMCS reported that an average of 119 days elapsed between these two steps in 1965.

64. How justifiable is the great reluctance of union and management representatives to experiment with inexperienced arbitrators? R. W. Fleming conducted a series of experiments which indicated that the outcome of most arbitration cases is sufficiently predictable that parties might well use less experienced arbitrators without risking a "wrong" decision. On the basis of his research, Fleming concluded that "labour and management can make an educated guess as to the outcome of even difficult cases by studying the views of experienced arbitrators and that in routine cases (which constitute a large percentage of the total) they ought not to be so concerned about trying new arbitrators", because their decisions are not likely to vary from decisions rendered by experienced arbitrators.<sup>18</sup> The latter conclusion is particularly important in view of the recurring complaints about the time lag in arbitrators' decisions and the alleged shortage of arbitrators.

65. The "typical" experienced arbitrator according to the National Academy of Arbitrators' survey of its membership in 1962 would fall into the following mould : he is 53 years old ; has at least a baccalaureate degree and probably a law degree or a PhD. with a major in one of the social sciences, most likely economics ; has worked for the federal government with the National War Labor Board, the Wage Stabilisation Board during the Korean War or the National Labor Relations Board ; is a university professor or a lawyer who spends only part of his time in labour arbitration ; and earns about one-third of his income from arbitration. A disturbing finding of the Academy survey was that the average age of arbitrators was three years higher than in 1952 and that only 8 per cent of the members were under 40 while 21 per cent were over 60 years of age. This trend towards the "well-aged" arbitrator is related to the shortage of new arbitrators discussed earlier and has led to co-operative efforts on the part of the appointing agencies and the Academy to train new arbitrators. So far these efforts have attained only a modest degree of success.

## H. ARBITRATION AND THE COURTS

66. Because of the widespread use of arbitration and the prevalence of "no-strike no-lockout" provisions in agreements, there is the impression among some foreign observers that these are legal requirements in the

<sup>17</sup> *Daily Labor Report* No. 75, April 18, 1967, The Bureau of National Affairs, Washington, D.C.

<sup>18</sup> *The Labor Arbitration Process*, op. cit., p. 104.

United States. Actually nothing could be further from fact. Grievance arbitration in the United States is predominantly private and entirely voluntary. Parties are free to include or omit such provisions and may change their minds on this issue from one contract to another. Thus, the Teamsters' Union, under the leadership of James Hoffa, has adopted an open-end grievance procedure in most trucking agreements in which there are no provisions for arbitration and the union retains the right to strike;<sup>19</sup> there are no provisions for arbitration in many construction contracts; Region 7 of the Allied Industrial Workers' Union, which covers the western part of Michigan, has a policy against arbitration;<sup>20</sup> other examples could be given.

67. The fact that an overwhelming percentage of all collective bargaining contracts provide for arbitration reflects the prevailing view among unions and employers that both have more to gain than to lose by adopting a general arbitration provision as the terminal step in the grievance procedure. Employers consider the surrender of decision-making authority to an "outsider" in disputes arising during the term of an agreement less risky than possible strike action over unresolved grievances. Unions recognise that it is difficult to strike over issues which affect only one or a small group of employees or which may even favour some employees over others (e.g. seniority) and are therefore willing to accept arbitration in such disputes. The United Steelworkers of America, in a resolution adopted at their 1966 convention, explained their support of arbitration as follows: "Where there is no arbitration, the 'right' to strike proves an ineffective method for resolving the countless day-to-day job level disputes. Repeated strikes cannot be sustained over minor incidents. In effect, management freedom is unlimited where there is no effective grievance and arbitration procedure". In addition, leaders on both sides recognise the advantages of stable labour relations free from threats of work stoppages during the term of the contract. As for the public, the idea of extending the basic principles of democracy and fair play to the work place has found broad acceptance, and especially if it also contributes to labour peace.

68. The force of voluntarism has been so great that arbitration decisions have almost always been accepted by the parties, even before collective bargaining agreements, including arbitration provisions, were held to be legally enforceable. There were, however, individual cases in which one party, usually the employer, refused to carry out an arbitration decision and the other party appealed to the courts for relief. In such cases, the courts were usually deaf to union requests to enforce the terms of an agreement requiring arbitration of unresolved grievances or to compel an employer to abide by an arbitration award. The Wagner Act of 1935 contained no provision for the enforcement of collective bargaining agreements; this was considered a matter for the states. Under common law, a contract was considered to exist between an employer and his employees but not with a union, and in most states the courts followed the common law and refused to enforce an agreement to arbitrate disputes that had not arisen when the agreement was made. Courts reasoned that differences between employers and unions were "labour disputes" and therefore they could not enjoin action

<sup>19</sup> Ralph and Estelle James, *Hoffa and the Teamsters*, Van Nostrand, Princeton: pp. 167-185.

<sup>20</sup> Robert Repas, "Grievance Procedures Without Arbitration", *Industrial and Labor Relations Review*, April 1967.

by one side or the other because the Norris-La Guardia Act, at the federal level, and similar statutes in many states prohibited injunctions in labour disputes. Some students of labour law believed that this interpretation by the courts was unsound. Professor Charles Gregory pointed out that the Norris-La Guardia Act was concerned with labour disputes over such issues as strikes, boycotts and picketing in connection with organisation and collective bargaining, and not over differences as to the interpretation and application of labour agreements.<sup>21</sup> As a result of court inaction, unions had to resort to strikes to enforce agreements which, according to Gregory, was the last thing Congress intended in passing the Wagner Act, which had as one of its objectives the achievement of stable labour-management relations. Furthermore, Congress made it clear that the breach of a collective bargaining agreement should not be treated as an unfair labour practice and that the National Labor Relations Board should have nothing to do with the enforcement of contracts.

69. This anomalous situation—encouraging collective bargaining on the one hand, but providing no means of making the parties live up to their agreements—was presumably dealt with in the 1947 Taft-Hartley Act, in Section 301, which permits suits for violation of a contract between an employer and a union to be brought in any district court of the United States. Section 301 also says that a union or employer is bound by acts of its agents and that a union may sue or be sued as an entity and on behalf of the employees it represents, and that money judgments shall be enforceable against a union as an organisation but not against individual members. But it was not until 1957, ten years after the Taft-Hartley Act was enacted, that Section 301 was held to have given unions and employers the right to have collective bargaining agreements enforced through the federal courts.

70. In 1957 the Supreme Court issued a landmark decision in a case involving the Textile Workers Union and Lincoln Mills of Alabama.<sup>22</sup> The Court held that Section 301 created a body of federal law governing rights and remedies under collective bargaining and that the courts should enforce the arbitration clause of a collective bargaining agreement, provided the jurisdictional requirements of the clause are met. This was the turning point at which law began to play a large part in contract administration. Henceforth it was clear that the collective bargaining agreement is a contract which is legally enforceable in the federal courts. What is more important for purposes of this paper, it meant that where a contract contained an arbitration clause the union could compel the employer to honour it. However, the situation is less clear where the union refuses to arbitrate and instead chooses to engage in strike action to settle a grievance in violation of a no-strike provision in the contract. Under Section 301, an employer may sue the union for specific performance of the agreement to arbitrate. But the courts have generally held that the Norris-La Guardia Anti-Injunction Act prohibits the enjoining of strikes in labour disputes, even when a union has voluntarily entered into a no-strike agreement. The only recourse

<sup>21</sup> Charles Gregory, *Labor and the Law*, Second Revised Edition, with 1961 supplement, W. W. Norton & Company: New York, Chapter XIV.

<sup>22</sup> 353 US 448 (1957).

of the employer is to sue the union for damages. Many authorities regard this interpretation as unfortunate and unsound but, for the present, it remains the law of the land.<sup>23</sup>

71. In 1960 the Supreme Court dealt explicitly with the question of arbitrability of disputes under an agreement containing an arbitration clause. In the first "trilogy",<sup>24</sup> as the cases have come to be known, the Supreme Court indicated a strong federal policy favouring the arbitration process as a means of resolving disputes covering the interpretation or application of collective bargaining agreements and restricted the role of the courts with respect to review of arbitration decisions. "In broad and sweeping language [the Supreme Court] directed the courts not to intercept the arbitration process and not to upset arbitration results except where judicial intervention is warranted under standards enunciated in the opinions."<sup>25</sup> The following propositions would seem to be supported by the 1960 trilogy:

1. Whether or not there is a valid agreement to arbitrate or a specific grievance is arbitrable are questions for the courts ultimately to decide (if such an issue is presented for judicial determination), unless the parties have expressly given an arbitrator authority to make a binding determination of such matters.
2. A court should hold a grievance non-arbitrable, under a valid agreement to arbitrate, only if the parties have clearly indicated their intention to exclude the subject matter from arbitration.
3. The courts should not get into the merits of a grievance in considering whether or not it is arbitrable; it is for the arbitrator to consider the merits.
4. If the arbitrator stays within the submission of the parties (if there is one) and makes his award on the basis of his construction of the contract, the award must be enforced. If, however, an award is based, not on the contract, but on an obligation found to have been imposed by law, the award should be set aside, unless the parties have expressly authorised the arbitrator to dispose of the legal question as well as the contractual issue.<sup>26</sup>

72. To complete this discussion of the role of the courts in relation to arbitration, we consider a second group of three cases decided by the Supreme Court in 1962 and referred to as the second "trilogy".<sup>27</sup> Based on the facts in the three cases, the Court decided as follows:

1. A Federal injunction against a strike over an arbitrable matter is barred by the Norris-La Guardia Act even though the strike was in breach of a contractual no-strike pledge.

<sup>23</sup> *Labor and the Law*, op. cit., Chapter XIV; also see "Arbitration and the Courts", by R. A. Smith and D. L. Jones, 63 *Michigan Law Review*, 2763 (1965); "Strikes in Breach of Collective Agreements", by B. Aaron, 63 *Columbia Law Review*, 1027 (1963); "The Labor Injunction Reappraised", by B. Aaron, 10 *UCLA Law Review*, 292 (1963).

<sup>24</sup> *United Steelworkers v. Warrior & Gulf Navigation Co.* 363 US 574 (1960); *United Steelworkers v. American Manufacturing Co.* 363 US 564 (1960); *United Steelworkers v. Enterprise Wheel & Car Corporation* 363 US 593 (1960).

<sup>25</sup> "Arbitration and the Courts", op. cit., p. 758.

<sup>26</sup> *Ibid*, pp. 759-760.

<sup>27</sup> *Sinclair Refining Company v. Atkinson*, 370 US 195 (1962); *Atkinson v. Sinclair Refining Company*, 370 US 238 (1962); *Drake Baerries v. Local 50*, 370 US 254 (1962).

2. The employer may bring a suit under Section 301 of the Taft-Hartley Act for damages against a Union for alleged violation of a no-strike provision, if the arbitration clause of the contract does not provide for the submission of employer grievances against the Union.

3. An employer's suit for damages for breach of a no-strike covenant should be barred if, under the grievance procedure, the employer could have referred his complaint to arbitration.<sup>28</sup>

73. How important an effect have the Supreme Court decisions had upon the arbitration process? Professors Smith and Jones have concluded, as a result of a survey of management and labour representatives and an examination of lower court cases and arbitrators' decisions, that the Court's decisions have had "a substantial impact upon the judiciary, arbitrators and the parties".<sup>29</sup> The decisions have tended to broaden the scope of the arbitration process and to increase the power of arbitrators. The proportion of cases in which the courts have held grievances to be arbitrable has increased sharply. With respect to the impact on the parties, Smith and Jones had this to say:

There has been some tendency by the parties to negotiate special limitations upon arbitral jurisdiction and authority and to this extent the Court's decisions have had a regressive effect upon the arbitration process. Not all of these changes have been negotiated without resort to economic force. Employer insistence upon narrowing the scope of arbitration presumably has resulted many times in successful union insistence that the no-strike provision be narrowed accordingly. The possibility of strikes during the term of the agreement is thereby increased. To this extent, the Court's decisions have contributed to industrial conflict rather than to its resolution.<sup>30</sup>

Professor Fleming has summed up the meaning of Court decisions since 1957 in the following words:

Court decisions have not, then, changed the fact that grievance arbitration is basically a private system of jurisprudence. They have, however, profoundly affected the rules of the game. Contractual agreements to arbitrate, as well as awards, are no longer gentlemen's agreements, but are enforceable by order of the court. Entirely new areas, heretofore the province of the National Labor Relations Board, have been opened to arbitration. Most important of all, the new rules are all federal rules, many of which remain to be created by the "judicial inventiveness" of which Justice Douglas spoke.<sup>31</sup>

74. Despite the significance of the Court decisions, the emergence of the doctrine that collective bargaining agreements are legally enforceable contracts should not be interpreted to mean that labour agreements must have the force of law behind them in order to make collective bargaining work. Nor does the fact that an employer can be compelled to go to arbitration and

<sup>28</sup> "Arbitration and the Courts", *op. cit.*, pp. 762-768.

<sup>29</sup> "The Impact of the Emerging Federal Law of Grievance Arbitration on Judges, Arbitrators, and Parties", 52 *Virginia Law Review* 912.

<sup>30</sup> *Ibid.* This conclusion applies largely to medium and small firms. Large companies with permanent umpire systems tended to view existing arbitration provisions as adequate (p. 890).

<sup>31</sup> *The Arbitration Process*, *op. cit.*, p. 28.

to abide by an arbitrator's award if he has agreed to do so in his labour agreement, mean that grievance arbitration cannot work without support from the courts. We must remember that for many years arbitration flourished without the legal support which it received from Section 301 of the Taft-Hartley Act and subsequent Supreme Court decisions. In the last analysis it is the good faith of labour and management in negotiating agreements that determines the success or failure of individual relationships rather than the availability of laws and courts to enforce collective bargaining agreements.

## I. ARBITRATION AND STRIKES

75. The inclusion in agreements of a prohibition against strikes and lock-outs while an agreement is in effect has often been considered a *quid pro quo* for arbitration of unsettled grievance disputes. But the widespread availability of grievance arbitration has not eliminated work stoppages during the term of the agreement in the United States. Despite the fact that 90 per cent of the 1,717 major contracts studied by the BLS contained restrictions on strikes and lockouts while the contract was in effect, more than one-third of all stoppages in 1965, involving close to half a million workers, were of this character.<sup>32</sup> This seeming anomaly may be explained in two ways: less than complete coverage of the no-strike no lock-out<sup>33</sup> prohibition, and strikes in violation of the agreement, that is, unauthorised or "wildcat" strikes. Unauthorised strikes will be discussed in the next section of this paper. Here we shall consider limitations in the scope of the arbitration provision or in the no-strike clause as a possible source of stoppages during the term of the agreement.

76. Despite the prevalence of no-strike provisions in agreements, a strike which is not in violation of the contract is possible under more than half of all major agreements. In 180 agreements, covering more than 600,000 employees, there is no explicit restriction on the right to strike: only 37 of these agreements also contain no arbitration clause, while 143 contracts provide for arbitration, including 25 in which all disputes are subject to arbitration. Fifty-six of the agreements without a strike ban are in the communications industry<sup>34</sup> and twenty-three are found in construction. The remaining 780 agreements, under which a strike is possible during the term of the agreement, limit the strike prohibition to disputes subject to arbitration, waived the strike ban for specific violations of the agreement, or permitted strikes after the grievance procedure had been exhausted and the agreement did not guarantee arbitration.

77. Of the 757 agreements with an absolute prohibition against strikes, 154 made all disputes subject to arbitration and an additional 529 provided arbitration for all disputes involving interpretation, application and/or violation of the agreement. Significant among this group were the 65 contracts which specifically excluded certain issues from arbitration and the 9

<sup>32</sup> The BLS counts only stoppages lasting for a full day or a full shift or longer; if stoppages of shorter duration were included, the volume and proportion arising during the term of agreements would undoubtedly be substantially higher.

<sup>33</sup> Since our major concern in this section and the one which follows is with stoppages initiated by employees, we shall use the term "no-strike" provision to include all stoppages. Actually lockouts occur infrequently in the United States.

<sup>34</sup> According to a representative of the Communications Workers of America, no-strike provisions have been added to many of these agreements since 1961-62.

which had no arbitration clause but which prohibited strikes for any reason whatsoever. Under these 74 agreements, covering almost half a million employees, the union had apparently given up the right to strike on some issues which could eventually be decided unilaterally by management.

78. Of the 780 agreements with a limited strike ban, 351 prohibited strikes over disputes which were subject to arbitration. Since 227 of these agreements provided arbitration for all disputes or for disputes over the interpretation, application or violation of the contract, the strike prohibition was virtually absolute in these relationships. In the remaining 124 agreements, the union retained the right to strike over issues specifically excluded from arbitration. Another 333 contracts made the strike prohibition contingent on compliance with some or all provisions of the agreement. Some 70 per cent of these contracts cited failure to use or comply with the grievance or arbitration procedure, or to abide by an arbitration award, as grounds for a strike. Other violations which served to lift the strike ban included: violation of union security provisions; failure to obtain union approval for addition of new machinery; establishment of rates on new work and adjustment of job classifications; violation of shop regulations; unfair labour practices as determined by outside parties; employer insistence that workers disregard picket lines; and employment of non-union contractors. Ninety-two agreements contained no guarantee of arbitration but permitted strikes only after the grievance procedure had been exhausted, and in 4 agreements stoppages were permitted for other reasons.

79. Another explanation of how a strike or lockout may occur during the term of an agreement is the option to cancel a contract for certain specified reasons, which appears in 101 agreements covering nearly one million workers. It is reasonable to assume that cancellation of a contract by a union will usually be followed by a strike. The result of an employer cancellation is less certain. Violation of the no-strike no-lockout clause is grounds for cancellation in nearly half of these agreements. In others, cancellation was permitted for such violations as: failure to pay an agreed wage scale; failure to exhaust the grievance and/or arbitration procedure or to abide by arbitration awards; violation of the health and welfare or pension provisions; requiring employees to handle struck work; and violation of the union security provision, of established working hours, or of work rules.

80. It is clear from the foregoing discussion that it is not quite accurate to characterise the arbitration clause as a *quid pro quo* for a no-strike pledge. While this is true for most agreements, there are many others in which the strike prohibition is more comprehensive than the arbitration provision or conversely where unions apparently may strike over issues which are subject to arbitration.

#### J. UNAUTHORISED STRIKES

81. Unofficial or unauthorised stoppages are a cause for considerable concern in Great Britain. The Ministry of Labour has estimated that such stoppages accounted for nearly 95 per cent of all strikes in Great Britain, and 60 per cent of days lost from work because of strikes during 1960-64.<sup>35</sup>

<sup>35</sup> *Written Evidence of the Ministry of Labour, Royal Commission on Trade Unions and Employers' Associations*, HMSO, London: 1965, p. 38.

This naturally raises the question whether the institution of grievance procedures with impartial arbitration as the terminal step would eliminate or significantly reduce the problem of unofficial strikes.

82. The United States experience seems to indicate that unauthorised strikes are too persistent and their causes too deep-seated to be treated by resort to one remedy, namely, arbitration. While the proportion of wildcat strikes to all strikes is not nearly as large as in Great Britain, the United States has had and continues to have a sizeable number of such stoppages. There are no accurate data with respect to wildcat strikes because the Department of Labor makes no attempt to separate figures for official and unofficial strikes. An estimate regarding the magnitude of this problem can, however, be made from Government statistics on the duration of stoppages.

83. Professor James Kuhn, operating on the assumption that unauthorised stoppages are characteristically of short duration, used BLS figures on stoppages lasting from one full day or shift up to three full days as a rough measure of unauthorised strikes. He concluded from these figures that for the period 1941-59 there was no consistent pattern of increasing or decreasing incidence of authorised stoppages.<sup>36</sup> Table I shows stoppages lasting 1-3 days, workers involved and man-days lost in such stoppages in absolute terms and taken as percentages of figures for all strikes, for the period 1941-65.

TABLE I  
Work Stoppages of 1-3 Days Duration, 1941-65

Year	Number of Strikes	Percentage of All Strikes	Number of Workers Involved	Percentage of All Workers Involved	Number of Man-Days Idle	Percentage of All Man-Days Idle
1941	1,094	25.3	635,000	26.8	949,382	4.1
1942	1,271	41.8	432,000	50.8	716,136	15.2
1943	2,468	60.8	941,000	47.9	1,519,079	11.4
1944	2,780	56.1	1,002,000	47.2	1,699,767	19.1
1945	1,925	41.7	830,000	29.1	1,571,000	6.5
1946	1,169	23.4	933,000	18.9	1,631,000	1.3
1947	838	22.2	406,000	18.4	582,000	1.5
1948	866	25.5	323,000	16.6	495,000	1.5
1949	976	27.2	414,000	15.8	681,000	1.8
1950	1,422	29.5	604,000	21.5	943,000	1.8
1951	1,611	33.8	669,000	30.4	1,090,000	5.0
1952	1,555	30.5	671,000	18.9	1,084,000	1.8
1953	1,424	27.8	675,000	28.4	1,122,000	4.0
1954	965	27.6	362,000	23.1	590,000	2.7
1955	1,296	30.0	941,000	36.6	1,237,000	4.9
1956	1,144	30.0	358,000	18.5	599,000	1.6
1957	999	27.2	324,000	22.4	509,000	3.0
1958	997	27.4	400,000	20.1	680,000	3.2
1959	906	24.1	244,000	12.8	383,000	0.6
1960	925	27.7	323,000	23.7	575,000	2.4
1961	946	28.5	288,000	20.0	435,000	2.8
1962	912	25.1	316,000	27.4	531,000	3.2
1963	939	28.2	240,000	23.8	382,600	2.3
1964	978	26.7	382,000	24.0	595,000	2.6
1965	1,012	25.5	337,000	20.9	507,000	2.1

Source: BLS, *Analysis of Work Stoppages*, for years 1941-65, Bulletin Nos. 711, 741, 782, 833, 878, 918, 935, 963, 1003, 1035, 1090, 1136, 1163, 1184, 1196, 1218, 1234, 1258, 1278, 1302, 1339, 1381, 1420, 1460, 1525.

<sup>36</sup> *Bargaining in Grievance Settlement*, Columbia University Press, New York and London: 1961, p. 54.

84. Strikes lasting 1-3 days were most significant during the war years 1942-45, after which they decreased sharply, relative to total stoppages. Their importance during the war is explained largely by the reluctance of unions to authorise strikes during this period. When strikes did occur, they were often unauthorised and great efforts were made by the Government and union leaders to get the men back to work as soon as possible. During the last ten years short-duration strikes have constituted 25-30 per cent of all strikes, and have involved a somewhat smaller proportion of all workers engaged in stoppages. In terms of man-days lost, strikes of 1-3 days have rarely accounted for as much as 3 per cent of the total after World War II. Professor Hampton makes the point that these figures underestimate the incidence of unauthorised strikes because the BLS excludes stoppages of less than one day's duration from its statistics. On the basis of his own research, Hampton believes that many unauthorised strikes last less than one day and therefore would not show up in the BLS figures.

85. We agree with Kuhn and Hampton that if one uses BLS data on strikes lasting 1-3 days as a measure of unauthorised stoppages, such strikes have represented a fairly steady and sizeable proportion of the total number of strikes and workers involved since World War II. Their impact in terms of man-days idle has been very small. We would also agree that the BLS data undoubtedly exclude a substantial number of unauthorised stoppages which last less than one day. On the other hand, it must also be recognised that many authorised strikes are settled before going beyond their third day, and to the extent that such strikes are also included in the BLS statistics on strikes lasting 1-3 days, they tend to overstate the incidence of unauthorised stoppages.

86. In 1961 the BLS started to report work stoppages by "contract status", separating out strikes which occurred "during the term of agreement" from those occurring at the expiration of an existing agreement or in negotiating a first agreement. Since unauthorised strikes almost invariably occur while an agreement is in effect, these figures are of considerable interest to us. Even more relevant to our discussion are strikes occurring during the term of an agreement *and* lasting from 1-3 days, on the assumption that unauthorised strikes are characteristically of short duration. Table II shows these figures for 1961-65, as percentages of all strikes.

TABLE II  
Work Stoppages During Agreement and Lasting 1-3 Days, 1961-65

Year	Percentage of All Strikes		Percentage of All Workers Involved		Percentage of All Man-Days Idle	
	During Agreement	During Agreement and Lasting 1-3 Days	During Agreement	During Agreement and Lasting 1-3 Days	During Agreement	During Agreement and Lasting 1-3 Days
1961	32.3	16.5	26.0	11.2	10.8	1.6
1962	29.7	13.6	29.5	13.6	13.7	1.6
1963	35.9	17.8	37.2	15.0	11.5	1.5
1964	36.4	16.7	29.1	13.5	10.2	1.6
1965	34.5	15.9	28.7	12.2	11.0	1.3

87. Table II indicates that approximately one-third of all strikes occurred during the term of an agreement. This is probably an overstatement of unauthorised strikes as many agreements have only a limited ban on strikes during the term of an agreement and some have no prohibition on strikes during the contract term. If we consider only strikes occurring during the agreement *and* lasting 1-3 days as indicative of unauthorised stoppages, we find that for 1961-65 an average of 16 per cent of all strikes fell into this category, involving about 13 per cent of all workers and causing 1.5 per cent of all man-days lost. These figures are subject to a number of limitations: on the side of understatement, they do not include unauthorised strikes which lasted less than one day or longer than three days; on the other hand, these figures tend to overstate unauthorised strikes to the extent that they include authorised strikes of short duration which occur during the term of an agreement. On balance, we would hazard a guess that something like 25 to 30 per cent of all strikes in the United States are unauthorised, that they affect about 20 to 25 per cent of all workers idled by strikes and account for perhaps 5 per cent of all man-days lost. Readers can make their own estimates on the basis of the data given and their judgment with respect to the extent to which they exaggerate or understate the true figures for the reasons given above.

88. However one interprets the statistics on work stoppages in the United States, two things are clear: the widespread use of arbitration to resolve disputes occurring during the term of agreements has not come even close to eliminating unauthorised stoppages in the United States; such strikes represent a much smaller proportion of all stoppages and cause relatively fewer workers to be idle and man-days lost from work than in Great Britain.

89. One might be tempted to ascribe the difference in the relative incidence of unauthorised strikes to the general availability of orderly grievance procedures and arbitration in the United States. Such a conclusion would be unwarranted without taking account of other relevant factors which distinguish the industrial relations systems of the two countries. Most important is the difference in the nature and scope of collective bargaining. Great Britain has what the Ministry of Labour has termed a "two-tier bargaining system." There are national bargains on an industry basis between the unions concerned and the major employers' federation, and there are local bargains reached at the factory level between management and shop stewards. Local negotiations normally do not involve full-time union officials, and are not conducted within the framework of the national bargains. It is not uncommon for strikes to be called in plants over wages or other issues, after an overall settlement has been reached in negotiations at the industry level between union officials and the employers' federation. Such strikes are almost invariably called without consultation with union officials and are considered unofficial.

90. Contrast this arrangement with that in the United States where the locus of collective bargaining is more often at the plant or company level than at the industry or even the regional level. Where bargaining takes place with employer associations or on an industry basis, either nationally or within a geographical area, it is common to have supplementary agreements with companies or even with individual plants within the association

or industry. But—and here we have a major difference—these supplementary agreements are negotiated by local union officials or committees, usually assisted by one or more full-time union representatives, and must adhere to the standards negotiated in the overall agreement at the industry or association level. Furthermore, the local agreements must usually be approved by the national union as must a strike over failure to reach a settlement.<sup>77</sup>

91. Under such a system of collective bargaining, official or authorised strikes, usually confined to one company or plant, are likely to occur more frequently than under a system of industry or national bargaining, while the incidence of unofficial strikes will be lower. This, in fact, is the situation in the United States as compared with Great Britain.

92. Another difference between the two countries which is related to the incidence of unofficial strikes is in the structure of their trade union organisations. In the United States most unions are organised on a vertical basis with a direct line from the national officers to regional or district officers, local union officials and shop stewards. If operating properly, this structure permits union officials to be aware of problems having their origin on the shop floor, and to do something about them. Unauthorised stoppages will usually trigger a call to the union's regional or national office by the employer or even by local union officials, provided of course that they are not behind the stoppage. While this does not guarantee results, it will almost always result in an attempt to ascertain the nature of the problem and in efforts to get the men back to work while negotiations take place. As a last resort, an international union may place a local body under trusteeship if it refuses to abide by an order from the national officers to return to work. In Great Britain there is an organisational gap between the shop steward at the plant level and the branch and national officials of the union. Workers are more likely to follow their stewards than their union officials and a back-to-work order from the union is not likely to be heeded by shop stewards who are independent of the union organisation.

93. A third difference between the two systems is the tendency for American agreements to cover many more issues and go into much more detail with respect to procedures to be followed should certain problems arise. Thus, United States agreements will usually spell out procedures to be followed in layoffs, transfers and, less frequently, in promotions. Similarly the assignment to overtime work may be dealt with in considerable detail, as will procedures to be followed in changing incentive standards or piece rates. In recent years agreements have tended to include provisions to be followed in the introduction of major technological changes, especially as they affect manning. As a result of such detailed provisions, workers and their representatives know what to expect when specific problems arise. This avoids the need for negotiations at a time when emotions are high and union leaders are under pressure from their members to take whatever action may be necessary, including a work stoppage, to forestall management action. In Great Britain, collective agreements tend to be relatively brief and general in nature, leaving many problems to be dealt with when they occur.

<sup>77</sup> There are exceptions to this procedure, especially in construction, but the above statement is generally accurate with respect to most industries covered by the BLS study and especially for manufacturing.

Inevitably this results in negotiations under adverse conditions which often end up in unofficial strikes over such issues as layoffs, dismissals, and working conditions. The Ministry of Labour has estimated that more than half of all unofficial strikes are over non-wage issues. Disputes over wages are often over piece rates or other payment-by-results schemes which are far more common in British industry than in the United States.

94. Unofficial strikes often occur because workers want quick resolution of a grievance and do not wish to wait for a settlement through the grievance procedure or for an arbitrator's decision which may take a few months. The arbitration process in the United States tries to meet this problem by giving arbitrators broad authority to fashion appropriate remedies to meet the circumstances in individual cases. This includes the power to make an arbitration award retroactive to the date when the grievance originated even after the lapse of several months, or even years as occasionally happens. This is particularly important in dismissal cases where, upon a finding that an employee has been improperly discharged, an arbitrator may reinstate him with full back pay. The knowledge that the arbitrator has this authority and will not hesitate to use it is at least a partial answer to impatient workers who are prone to take strike action rather than wait for justice through more orderly but time-consuming procedures.

95. Still another difference between the two countries is the practice of negotiating agreements for a specified time period in the United States, whereas British agreements generally set no terminal dates. The fixed-duration agreement is essential to any system which differentiates between "interest" and "rights" disputes. Disputes during the term of the agreement are supposed to be handled through the grievance procedure, with arbitration as the terminal step, and strikes and lockouts are generally prohibited during this period. While a no-strike provision is no guarantee against strikes, its very existence serves as a deterrent and makes local leaders think twice before resorting to the use of the strike weapon. The absence of a fixed terminal date in an agreement makes every dispute potentially the basis for reopening negotiations with the possibility of a work stoppage, if a settlement cannot be agreed upon.

96. There are other differences between the industrial relations systems which may have a bearing on the relative incidence of unofficial strikes in the United States and Great Britain, including, of course, the Taft-Hartley provision permitting an employer to sue a union for violation of a contract with a no-strike clause. But after all the differences have been considered, the role of orderly grievance procedures and arbitration must be accorded some credit for the lower incidence of unauthorised strikes in the United States as compared with Great Britain.

97. We are aware of the fact that power relationships often supersede the grievance procedure in disputes at the plant or shop level. The term "fractional bargaining" has been given to situations in which work groups and parts of collective bargaining units engage in negotiations with management to change their conditions of employment during the term of an agreement.<sup>38</sup>

<sup>38</sup> For a thorough discussion of fractional bargaining see *Bargaining in Grievance Settlement*, op. cit. and also David R. Hampton, *Managerial Behavior and Wildcat Strikes*, Bureau of Business and Economic Research, School of Business Administration, San Diego State College, San Diego, California: 1965.

Willingness to negotiate with such groups outside the grievance procedure may be the price that some managements may have to pay to avoid wildcat strikes at times when they can least afford loss of production.

98. We are in no position to judge the extent to which fractional bargaining goes on in American industry or how important it is as compared with the grievance procedure in resolving disputes during the term of a contract. Fractional bargaining, informal understandings and other arrangements bypassing the grievance procedure are bound to take place in any undertaking based on human and power relations. The fact remains, however, that in some 20,000 instances each year, worker complaints are resolved by arbitration in quasi-judicial proceedings and on the basis of an impartial interpretation of the agreement. Furthermore, in hundreds of thousands of other cases, complaints are resolved in the grievance procedure, most of them on the basis of informal discussions between the worker and his shop steward and his foreman or supervisor. Common sense dictates that in the absence of such orderly procedures, a substantial number of these grievances would go unheard and unresolved, and some proportion of these would eventually erupt in unauthorised work stoppages. While this is by no means the sole, or even the most important, reason for having grievance procedures and arbitration, it is a significant benefit which is worthy of consideration in any system whose objective it is to promote harmonious and stable labour-management relations.

## K. CONCLUSION

99. To what extent is the American system of resolving workplace disputes exportable? The answer to this question for any country must take account of certain features of the United States industrial relations system, some of them mentioned earlier, which help to sustain private voluntary grievance arbitration.

1. Under the Labor Management Relations Act, an employer must recognise and bargain with a union which is designated by the Government as the exclusive representative of the employees in a given unit. The unit may encompass employees in several plants of a company, in one particular plant, in a specific craft, or it may include some other grouping of workers which is determined by the National Labor Relations Board to be an appropriate bargaining unit. Once a union has been certified as the representative of the employees in a bargaining unit, an employer may not bargain with any other labour organisation regarding their wages, hours or conditions of employment, unless the certification is withdrawn.

The principle of exclusive representation facilitates the resolution of grievances and the acceptance of arbitration in two ways. Settlements, whether reached by negotiations between representatives of management and employees, through mediation, or as a result of arbitration, must be acceptable to only one organisation on each side. To the extent that there may be conflicting interests among employees, they must be resolved within the union which speaks for all the employees in the bargaining unit. While this is not always a simple matter, it is far less difficult than to settle a dispute in a way which will satisfy several unions representing various segments of the work force whose interests may not be identical.

The "consent to lose", which must be present on both sides if arbitration is to work, is likely to be more difficult to cultivate in several unions, which may be competing for members, than in one union which represents all the employees in a given unit. Exclusive representation also provides a degree of security to a union and permits its leaders to exercise discretion in settling grievances or in deciding whether or not to take grievances to arbitration, without fear that disgruntled employees may change their allegiance to a rival labour organisation which promises to treat their complaints more sympathetically.

2. Agreements in the United States tend to be long and detailed in their coverage of a wide variety of issues. Inevitably differences will arise between the parties over the interpretation or application of specific provisions in particular cases. These differences are over rights and obligations already agreed upon rather than over substantive issues growing out of conflicting interests. Where such differences cannot be resolved through discussion in the grievance procedure, it is eminently logical to seek impartial and expert assistance in adjudicating the dispute. Final and binding arbitration, previously agreed upon in the contract, serves this purpose.
  3. The fact that agreements usually have a fixed duration date makes possible the distinction between rights and interest disputes which is essential to grievance arbitration. In the absence of a fixed termination date, either party could reopen the agreement rather than submit to arbitration, or could insist on renegotiation of a particular provision after it lost an arbitration case.
  4. Because of high membership dues, American unions are relatively affluent as compared with their counterparts in other countries. This enables them to support a system of private arbitration despite their frequent complaints about the high cost of arbitration. Equally important is the awareness on the part of both unions and employers that the cost of arbitration will almost always be much lower to both sides than the cost of a strike over a dispute during the term of an agreement.
  5. American unions are well organised at the level of the workplace. Shop stewards are part of the local union hierarchy and consider themselves bound by the agreement whether it has been negotiated at the plant, company or industry level. This includes the grievance and arbitration provisions, even when the award in a particular case goes against the union.
100. Arbitration has met certain needs of employees, unions, companies and the public in the United States. At the same time, the arbitration process has its critics, among unions and companies which subscribe to it and even among members of the profession. Its survival will depend upon the ability of the parties and of arbitrators to adapt the arbitration process to changes as they occur in collective bargaining, in labour and in management.

101. Despite its imperfections, the American system of arbitration may have something to offer to other countries, with due allowance for differences in the institutional, legal and social framework in which industrial relations are conducted.

## COMPULSORY ARBITRATION IN BRITAIN: THE WORK OF THE INDUSTRIAL DISPUTES TRIBUNAL

by W. E. J. McCarthy

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### A. INTRODUCTION AND SUMMARY

1. In their written evidence to the Royal Commission the Ministry of Labour said that they were considering representations from the TUC for the restoration of the provisions of the 1951 Industrial Disputes Order. This Order provided for a form of compulsory arbitration, which could be requested by either party to a dispute, and which took the form of a legally binding order. The Ministry subsequently informed the Commission that after carefully considering the arguments of the TUC and the CBI, which showed a marked difference of opinion on the merits of restoration, the Minister had concluded that it would be better not to reach any decision on this question before the Royal Commission reports.

2. Partly for this reason it was decided to prepare a research paper for the members of the Commission, setting out what was known about the operation of the 1951 Order and the work of the Industrial Disputes Tribunal—the body established under the Order to hear references and make awards. The paper also contains a summary of the arguments advanced by both the TUC and the CBI, and it ends with a short section that includes the personal opinions of its author.

3. The first section describes how the IDT was established in 1951 and explains the reasons for its demise in 1959. The second contains what is known about the unions and industries affected by its work. It shows that the IDT was used by both strong and weak organisations, although it appears as if the great majority of references concerned the comparatively badly organised. The third section discusses how far the Tribunal had a policy in relation to wage awards, and it concludes that insofar as this was the case the IDT sought to award "about as much as was generally available elsewhere at the time". It also indicates that there is little evidence that awards of the IDT were correlated significantly with variations in Government policy—e.g. Government attitudes towards the level of incomes generally.

4. The next section contains what it has been possible to discover about the validity of two criticisms of the working of the IDT Machinery:—(1) that unions or their members sometimes refused to accept its authority, and that if their claims were rejected by the Tribunal they often participated in strikes designed to obtain improvements on IDT awards; and (2) that unions whose claims were rejected by the Tribunal sometimes reacted by resubmitting them to employers. Unfortunately it was not possible to obtain much concrete information about either of these practices. Only four cases were

uncovered, and only two of these appeared, on further investigation, to provide evidence to support either criticism, although this does not mean that no others occurred.

5. The final section of the paper deals briefly with the issues involved in considering the case for a reconstituted IDT, including the current arguments advanced by the TUC and the CBL. It suggests that if one accepts the argument for a return to compulsory arbitration in some form, then perhaps the best form this could take would be the establishment of a Tribunal with restricted jurisdiction, which could only give awards affecting groups who were unlikely or unable to use alternative sanctions. This seems to be the best way to meet the substance of the case against a full restoration of the provisions of the 1951 Order. In the final paragraphs mention is made of one way in which this might be done.

## B. HISTORY

6. Compulsory arbitration in this country has arisen as a response to war-time emergencies. Thus in the first world war the Munitions of War Act 1915 contained provisions providing for legally binding arbitration. This legislation was repealed immediately after the war. In the Second World War the National Arbitration Tribunal was established under Order 1305 in 1940. The object was to attempt to deal with the problems of wage adjustment without recourse to strikes and lockouts. These were prohibited by law and provisions were made for ultimate reference of disputes to a form of legally binding arbitration. Either side to a dispute could invoke the machinery, but the importance of existing methods of settling disputes was recognised in that the Tribunal was not allowed to determine a dispute until the "voluntary machinery" was exhausted.

7. Another part of the Order concerned the enforcement of terms and conditions of employment for the trade which had been settled by collective bargaining or arbitration. Employers were bound to observe such conditions, whether they were parties to them or not. Questions over the terms and conditions which should be observed could be referred to the NAT.

8. During the war both sides accepted this system and there was little criticism of it. What was perhaps surprising was that it continued after the war with the consent of both sides of industry until, in 1950, the Government used its powers under Order 1305 to prosecute some strikers. The unions immediately demanded the repeal of the Order, on the grounds that such prosecutions were unjustifiable in peace-time. The result was the replacement of Order 1305 by Order 1376, and the establishment of the IDT in the place of the NAT in 1951.

9. The main difference between the new Order and the old was that strikes and lockouts were no longer illegal. Awards of the IDT were still legally binding—in that they were an implied term of the individual workers' contracts of employment. Reference was still only possible after the exhaustion of existing procedures. One other change was that reports of a dispute could be submitted to the Minister of Labour only by an organisation that "habitually" took part in the settlement of such terms and conditions, or which represented a "substantial proportion" of the workers

or employers involved. This prevented individuals from invoking the machinery and discriminated against "break-away" organisations. It was no longer a statutory obligation to observe recognised terms and conditions, but the IDT could be asked to order their observance in particular cases.

10. The employers soon began to complain that the new system was one sided, in that unions were free to use the Tribunal or strike if they so desired. During 1956 complaints were also made that the IDT had made a number of inflationary settlements. By 1957 the employers in general had come to the conclusion that they could not continue to support the voluntary system, and the Government, in the middle of a period in which it was advocating wage restraint, took the initiative in seeking the dissolution of the Tribunal. The reason given was that in peace time a system in which "one party or another had to be coerced by law" was "out of keeping" with the British system of industrial relations.

11. The IDT was dissolved on 28th February 1959. The unions were unwilling to see it go, and the policy of the TUC since its demise, as reflected in its evidence to the Commission, has been that similar machinery should be re-established. To deal with the problem of securing the observance of "recognised" terms and conditions the Government introduced Section 8 of the Terms and Conditions of Employment Act. This gives representative organisations on both sides the right to ask for the adjudication of the Industrial Court where it is claimed that an employer is not observing such conditions. If the Court makes an award it becomes an implied term of the individual worker's contract, as in the case of the IDT.

12. What cannot now be referred to any form of legally binding arbitration are *any other* disputes which may arise between unions and employers, who may in fact be observing existing "recognised" terms and conditions. Basically the case for the return of the IDT is a demand for the re-introduction of such machinery, capable of being invoked by either party to a dispute.

### C. UNIONS AND INDUSTRIES USING THE IDT

13. During its period of operation the IDT made over 1,270 awards, and less than a quarter of these concerned the observance of "recognised" terms and conditions. The rest represented the settlement of national or local disputes, and although both unions and employers could apply for a reference in 95 per cent of the cases the initiative was taken by the unions. The great majority of unions with more than 20,000 members made some use of the Tribunal, as did many smaller unions. Examples of the relatively few organisations with a membership of over 20,000 which did not use either the NAT or IDT were the Mineworkers, the NUT, the Locomotive Engineers and Firemen and the Civil Service organisations. In his study of the operation of compulsory arbitration in Great Britain, Reiss<sup>1</sup> provides the following table of unions using the IDT in which he lists the number of awards per union in three broad groups:

<sup>1</sup> Compulsory Arbitration as a Method of Settling Industrial Disputes, with special reference to Great Britain since 1940. B. Litt., Oxford, 1964. The Royal Commission is grateful to Mr. Reiss for making available to them the material in this thesis. This paper could not have been written without such assistance.

*Number of Awards Per Union Using the IDT 1951-59*

<i>Large Unions (100,000 members or more)</i>	<i>Awards</i>
Transport and General Workers' Union ... ... ...	255
National Union of General and Municipal Workers ... ...	169
National and Local Government Officers Association ...	157
Amalgamated Engineering Union ... ... ...	120
National Union of Public Employees ... ... ...	74
Electrical Trades Union ... ... ...	58
Union of Shop, Distributive and Allied Workers ... ...	42
Amalgamated Society of Woodworkers ... ... ...	22
National Union of Printing, Bookbinding and Paperworkers ...	8
Iron and Steel Trades Confederation ... ... ...	3
National Union of Railwaymen ... ... ...	3
National Union of Tailors and Garment Workers ... ...	1
National Union of Agricultural Workers ... ... ...	1
	<hr/>
	913

*Medium Size Unions (between 20,000 and 100,000 Members)*

Confederation of Health Service Employees ... ... ...	50
Amalgamated Society of Wood-cutting Machinists ...	31
National Union of Vehicle Builders ... ... ...	21
Clerical and Administrative Workers' Union ... ...	19
National Union of Dyers, Bleachers and Textile Workers ...	18
Amalgamated Union of Foundry Workers ... ... ...	15
Amalgamated Union of Operative Bakers, Confectioners and Allied Workers ... ... ... ... ...	15
National Union of Hosiery Workers ... ... ...	14
National Union of Furniture Trade Operatives ... ...	13
Association of Engineering and Shipbuilding Draughtsmen ...	12
National Society of Painters ... ... ... ...	12
Musicians' Union ... ... ... ...	12
Constructional Engineering Union ... ... ... ...	11
National Union of Bank Employees ... ... ...	11
Plumbing Trades Union ... ... ... ...	10
National Society of Metal Mechanics ... ... ...	10
Amalgamated Union of Building Trade Workers of Great Britain and Ireland ... ... ...	8
National Association of Theatrical and Kine Employees ...	6
National Union of Sheet Metal Workers and Braziers ...	4
United Boilermakers and Iron and Steel Shipbuilders Society	4
Association of Card, Blowing and Ring Room Operatives ...	3

*Medium Size Unions (cont.)*

Typographical Association	...	...	...	...	...	2
National Union of Enginemen, Firemen, Mechanics and Electrical Workers	...	...	...	...	...	1
National Union of Blastfurnacemen, Ore Miners, Coke and Kindred Trades	...	...	...	...	...	1
National Society of Operative Printers and Assistants	...	...	...	...	...	1

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304

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*Small Unions (20,000 or less)*

Awards

Guild of Insurance Officials	...	...	...	...	...	29
Amalgamated Society of Leather Workers and Kindred Trades	...	...	...	...	...	16
National Union of Packing Case Makers	...	...	...	...	...	14
Association of Supervisory Staffs, Executives and Technicians	...	...	...	...	...	12
Iron, Steel and Metal Dressers' Trade Society	...	...	...	...	...	10
United Patternmakers' Association	...	...	...	...	...	8
Association of Scientific Workers	...	...	...	...	...	8
Association of Cinematograph and Allied Technicians	...	...	...	...	...	7
Scottish Painters' Society	...	...	...	...	...	7
National Union of Leather Workers and Allied Trades	...	...	...	...	...	6
Watermen, Lightermen, Tugmen and Bargemen's Union	...	...	...	...	...	5
Sign and Display Trades Union	...	...	...	...	...	5
National Union of Glovers	...	...	...	...	...	5
Scottish Carpet Trade and Factory Workers' Union	...	...	...	...	...	5
52 Unions with less than 5 awards	...	...	...	...	...	119

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256

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14. Obviously the IDT was used on occasion by both strong and weak organisations. The 104 unions represented range from the unusually strong and militant, to the very weak and extremely pacific. Thus the Boilermakers, the Sheet Metal Workers, the Pattern Makers, the Typographers, the Watermen and Lightermen together with many other well-organised groups are all represented—though it is fair to say that they were involved in only a few references each, and it may well be that in some cases at least these were initiated by employers. On the other hand the list also contains many badly organised and relatively weak unions—such as the Shopworkers, the Bakers, the Agricultural Workers, and many struggling white-collar groups, such as the bank clerks. (Indeed many of these organisations were among the most frequent users of the IDT). As might be expected the two large general unions were also frequent users, and between them they account for about 20 per cent of all references. It is not possible to say the extent to which the general workers' unions used the Tribunal on behalf of weak rather than strong groups, but it is worth pointing out that they have always been responsible for large numbers of poorly paid and badly organised industries and trades.

15. A further indication of the diversity of IDT references may be gained from this list of awards by industry:—

*Number of Awards Per Industry Using the IDT 1951-59*

<i>Industry</i>	<i>Awards</i>
Local Authority Services	238
Vehicles and other Engineering	175
Health Services	105
Miscellaneous Services	91
Building and other construction	86
Textiles other than cotton	66
Professional Services	52
Manufactures of Wood and Cork	51
Treatment of Non-Metalliferous Mining Products	48
Electrical Goods, Precision Instruments, and Agricultural Machinery	46
Food and Drink	45
Distributive Trades	45
Metal Manufacturing and Metal Goods	37
Other Manufacturing Industries	28
Merchant Navy	26
Clothing and Footwear	19
Road Passenger Transport	18
Chemicals and Allied Trades	16
Leather, Leather Goods, and Furs	13
Printing and Publishing	12
Cotton	11
Shipbuilding and Repairing	10
Cold Storage and Warehousing	9
Road Haulage Contracting and Railway Cartage	8
Mining and Quarrying other than coal	7
Tobacco	7
Paper	6
Railway Service	1
Dock Labour	1
	1,277

16 Once again it may be argued that well-organised industries, where the unions involved could be expected to mount a credible strike threat, sometimes made use of the IDT. For example, there were 175 awards in engineering and vehicles, 37 in metal manufacturing and metal goods, 12 in printing and publishing and 10 in shipbuilding and ship-repair. On

the other hand there were also 238 awards in local government services, 45 in distribution, the same number in the food and drink trades, and many more involving weakly organised white-collar groups.

17. Of course these tables do not provide a really satisfactory answer to the question: how far was the IDT invoked more on behalf of weak groups than strong groups? But an adequate reply to this query would involve a detailed study of the facts involved in each case. What they do indicate is that although the strong groups sometimes found themselves in front of the IDT the great majority of references probably concerned comparatively weak groups. Moreover, it must not be assumed that the presence of a generally strong union before the IDT is sufficient proof of the fact that they were, on that occasion, representing well organised workers. After all, there were weak pockets of organisation in engineering during the 1950's, and even in printing and publishing the "open shop" was not unknown.

18. One indication that relatively well-organised unions did tend to take their less well-organised groups through the IDT machinery can be derived from A. I. Marsh's study of the operation of the engineering procedure in federated firms. He shows that the IDT only dealt with 51 awards involving federated firms in the entire period of its existence. If one contrasts this figure with the total of 175 awards in vehicles and engineering, it is clear that most cases affecting engineering which came before the IDT must have involved non-federated firms—i.e. firms where the unions are known to be generally far less well-organised. (Indeed many of these were references aimed at securing the observance of "recognised" terms and conditions).

19. Nevertheless, the unions in engineering did use the IDT as a final reference point in 51 cases when they had failed to secure a satisfactory settlement at Central Conference. Marsh also shows that in about a third of cases the Tribunal awarded a significant advance on the employers' offer, and concludes that not unnaturally the employers complained that the unions were deliberately invoking the aid of the IDT "to embarrass their conciliation arrangements".<sup>2</sup>

20. This raises the general question of the aims and objectives of different unions in reporting a dispute for reference to the IDT. Some information is available on this subject. Spoor, for example, in his recent history of NALGO, shows that compulsory arbitration was an important factor in securing the acceptance of trade unionism and collective bargaining in local government. NALGO greeted the establishment of the NAT as a "charter for trade unionism", and set out to use it to force wages and conditions negotiated by Provincial Whitley Councils on the many local authorities who had "so far held aloof from them". They saw this as a step on the road to higher membership and the creation of effective national bargaining machinery. As their journal put the matter at the time the objectives were:

"... complete, nationwide Whitleyism, and standardised basic salaries and conditions in each area, binding on every authority in the area. From that to national scales and conditions is but a step".<sup>3</sup>

<sup>2</sup> Industrial Relations in Engineering, Pergamon Press, 1965, p. 133.

<sup>3</sup> White Collar Union, Heinemann, p. 193.

21. When, a short time after the inception of the NAT, a decision of the Court of Appeal ruled that the Tribunal had no jurisdiction over local government officers, NALGO thought the matter important enough to be taken to the House of Lords. Fortunately for the union the decision of the lower court was reversed by the Lords and from that moment the union reported disputes regularly to the NAT and its successor the IDT. Spoor argues that right of access to compulsory arbitration by the union was an important factor in securing the formation of a new and improved National Whitley Council in 1943.<sup>4</sup>

22. Information on the aims and objectives of unions in the Health Service, which was responsible for over a hundred IDT references, is provided in Clegg and Chester's study of Wage Policy in the Health Service.<sup>5</sup> They indicate that the Tribunal was used for several different purposes by various unions and staff associations. Sometimes an IDT reference was a way of obtaining a binding ruling on the application of existing agreements to complex cases—such as the implication of a new "points scheme" on the pay of nurses and midwives. Sometimes it was a way of advancing the cause of particular groups—for example certain hospital officers adversely affected by a recent agreement. On still other occasions the IDT was used to obtain an improved settlement for general wage claims—especially when management, in an attempt to comply with "government wishes to give an example in wage restraint", was trying to "hold on at all costs, and sometimes to let through as little as possible".<sup>6</sup>

23. Finally Reiss has some information on the reasons why some unions avoided the IDT altogether, or used it very infrequently. In many cases this was because they had their own arbitration machinery—for example the civil service and railway unions. In other instances—e.g. in printing generally—there was a feeling that negotiation, backed by the threat of possible strike action, was a more suitable method. Of course some unions, such as the Chemical Workers, were unable to use the Tribunal even if they wanted to—because they did not "habitually" take part in existing voluntary machinery and had not recruited a "substantial" proportion of workers. Other notable victims on this count in certain instances were several white-collar organisations where there were no national bargaining arrangements and low levels of organisation—e.g. the Bank Employees and the Clerical and Administrative Workers.

#### D. POLICY AND PATTERNS

24. Following the customary practice in this country the IDT never gave reasons for its decisions, and all attempts to infer why it acted as it did are therefore disputable. It consisted of five members, but apart from the chairman they were chosen from a panel of nominees, so that only the chairman was engaged full-time and other members did not serve more than a day or so at a time. It follows that so far as the Tribunal had any consistent attitude it must have been provided by the chairman. From 1948 on the chairman of both the NAT and the IDT was Lord Terrington.

<sup>4</sup> See also the use made of the NAT and the IDT to facilitate recognition and the extension of collective bargaining by unions such as the NACSS, ASSET and the A.ScW, as described by George Bain in his Research Paper on *Trade Union Growth and Recognition*, HMSO, 1967, (in paragraphs 106–150).

<sup>5</sup> Blackwells, 1957.

<sup>6</sup> Clegg & Chester, *op cit.*, p. 78.

25. In his study of IDT awards Reiss concludes that the Tribunal, like its predecessor, had a policy, and that this could be seen from the fact that there was a "pattern" observable in its wage settlements. Essentially the Tribunal granted wage increases that did not differ significantly from those obtained by other methods—e.g. negotiation, recourse to the Industrial Court, and so on. Reiss concludes that Torrington was concerned to settle references according to what appeared to be "the going rate". In effect the IDT sought to give "about as much as that which was generally available elsewhere". Evidence for this assertion is summarised in the table below, where Reiss compares national awards of the IDT with known increases granted by other methods:—

*Increases awarded by the IDT in Claims involving Employers' Federations—Compared with Increases Granted by Other Methods of Wage Settlement<sup>7</sup>*

Year	No. of IDT Awards	Median	Average	No. of Other known Settlements.	Median	Average				
1951	9	s. 7	d. 4	s. 7	d. 9	15	s. 9	d. 2	10	6
1952	36	8	0	9	9	27	7	4	7	4
1953	38	5	6	6	8	20	7	2	6	10
1954	29	7	0	6	6	36	7	4	7	8
1955	10	7	6	8	7	26	10	0	10	5
1956	22	10	0	9	11	23	10	1	10	9
1957	15	9	2	7	11	41	9	0	9	3
1958-9	28	6	5	6	3	42	7	4	7	9
Totals	187	7	4	7	8	230	7	8	8	8

Granted the imperfect nature of these figures they do show a considerable degree of similarity. If anything, IDT awards are generally slightly below those arrived at by other methods—but the difference is not substantial.

26. Reiss drew two other conclusions from his study of the IDT awards which are of interest. First, he considered how far awards of the Tribunal could be correlated significantly with variations in Government policy. He decided that there was little evidence of this—although some influence could be shown in the period 1957-58. By contrast the rather more nebulous restraint policy in 1953-54 appeared to have very little effect on the Tribunal. (It is perhaps worth pointing out in this connection that throughout its life the Tribunal was never given directions by the Government, and that it was never even formally notified of their preferences and policy).

27. Second, Reiss failed to find any consistent application of policy by the Tribunal in disputes involving questions other than wages—e.g. questions such as the reduction of the standard working week, a second week's paid holiday, and so on. But he admits that this may simply be because it was far less frequently involved in settlements of this kind.

<sup>7</sup> It should be noted that there is no complete list of all increases granted by various methods of wage settlement. Reiss uses a representative list published monthly in Labour Research. This includes most of the orders of wages councils, awards of the Industrial Court, and major national settlements by negotiation.

## E. RESUBMITTED CLAIMS AND STRIKES AGAINST AWARDS

28. It will be remembered that in paragraph 4 above mention was made of two criticisms frequently made by employers of the working of the IDT. It is alleged that unions whose claims were rejected sometimes immediately re-submitted them to employers, and that work-groups whose hopes were disappointed frequently reacted by starting unofficial strikes. Unfortunately it has not been possible to obtain very much information which could be used to test the validity of these assertions.

29. The Ministry of Labour was unable to provide any information about the first practice, but it did provide details of one case in which employers experienced strikes in support of a demand which had been rejected by the IDT. This involved a dispute between the Constructional Engineering Union and the EEF over an increase in the rate for steel erectors or "spider-men". The union claimed parity with building craftsmen and the employers reported the dispute for reference to the IDT in November 1954. Before that date sporadic strikes in support of the claim had broken out in several firms. The IDT considered the case in December and published its decision in January 1955. The union did not put in an appearance to argue its case before the Tribunal and made no submission in support of its members. Not surprisingly the Tribunal decided that their case "had not been established".

30. Sporadic strikes continued after the decision, until the middle of March. Altogether about 4,360 workers were involved in strikes in support of the claim—although only 500 of these took part in stoppages which took place *after* the IDT's decision. Early in March the EEF negotiated a general increase in rates in the engineering industry which resulted in skilled men receiving another 3d. an hour; a similar amount was also paid to steel erectors. However, about a week later the employers conceded a further increase to steel erectors of another 1½d. an hour. Obviously it would have been extremely difficult for the employers to resist granting any increase to the CEU after the general settlement in March. But it must be assumed that their concession of an additional 1½d. was at least partly induced by the continuance of strikes designed to set aside an IDT award.

31. One other instance where evidence was discovered of union action designed to set aside the influence of the IDT occurred in the printing industry. In 1954 the Typographical Association refused to appear before the Tribunal in a dispute concerning wages and manning scales in a particular firm. This had been referred to the IDT as a result of action taken by the employers' federation. During the period of the reference the union continued to support strike action by their members and in the circumstances the IDT felt it was unable to make any definitive award. Eventually the parties agreed to settle by reference to an independent arbitrator appointed by themselves.

32. One final case where it is sometimes said there was evidence of the unfair nature of the IDT machinery, viewed from the position of the employers, arose in the provincial bus strike of 1957. Here the charge is that the IDT itself was unduly influenced by the continued existence of the strike while it conducted its hearings. In effect it is said that the Tribunal

was mainly concerned to settle the strike, so that it made an unusually large concession to the unions involved in order to ensure that they called it off. However, in this instance the evidence is capable of different interpretations. To begin with the Tribunal awarded 11s. on a claim for 21s., a settlement which was nearer the employer's final offer of 3s. than the union's original demand. Then, again, an increase of that magnitude was close to the "going rate" for 1957, and one or two industries, such as flour-milling, had recently received increases of more than this amount. (In particular there had recently been an 11s. increase in engineering, and this was accompanied by a number of settlements in other industries of exactly the same amount).

33. On the other hand it is arguable that the provincial busmen had received an increase of 5s. in the previous November, and that this together with the 3s. now offered by the employers came close to the increase recently awarded to railwaymen. It can also be suggested that the 11s. given to the engineers was subject to certain conditions—i.e. co-operation in the removal of so called restrictive practices—and that no such qualifications were suggested by the IDT. What is certain is that the employers regarded the IDT award on this occasion as unnecessarily generous, and that this helped to contribute towards the pressure for the Tribunal's removal.

#### F. ARBITRATION AT THE REQUEST OF ONE PARTY: THE ISSUES INVOLVED

34. It is now possible to review briefly the issues involved in considering the case for a reconstitution of the IDT in some form. What is in debate is the case for legally binding arbitration at the request of one party. The first argument which may be adduced in favour of such a provision is the traditional one that arbitration as such is a better method of dealing with industrial disputes than a recourse to sanctions by either side. This view has had many distinguished proponents from the time of the Webbs. Its supporters stress the economic cost and dislocation caused by strike action or a lockout and contrast this with the more civilised and peaceful resolution of disputes through an independent Tribunal which is able to take into account the "merits and substantial justice of the case".<sup>8</sup>

35. To the extent that one accepts this view one may support a reconstitution of the IDT because it represents an additional influence inducing the parties to industrial disputes to settle them by means other than a show of force. In effect it makes it possible for force to be avoided if one party to the dispute opts to settle it through a recourse to arbitration.<sup>9</sup> Of course the acceptance of such a position does not involve the view that *all* disputes should be settled by legally binding arbitration. The parties can still decide to avoid a reference to any such tribunal, and may in fact continue to settle the great majority of their differences by negotiation. Moreover, one may still take the view that legally binding arbitration is inferior to "voluntary" or contractual arbitration—where the two sides sign a procedure agreement which provides, in advance, for the ultimate reference of all disputes to an

<sup>8</sup> Industrial Democracy, by Beatrice and Sidney Webb, Longmans, p. 818.

<sup>9</sup> This is very much the TUC argument at paragraph 324 of their Evidence, except that they also suggest that the IDT had the effect of promoting voluntary machinery.

arbitrator of their own choosing. But the existence of a body like the IDT may be viewed as an additional inducement to the parties to sign such agreements.

36. The second argument adduced in favour of a new IDT is that there are still many groups who are unable to use industrial sanctions. This can be for one of two main reasons. In many instances the level of trade union organisation will be such that effective strike action is not yet possible—e.g. many white-collar groups, workers in “non-federated” engineering firms, the distributive trades etc. In other instances the argument may be that even if there are high levels of unionisation the strike weapon is an unsuitable one, and that its effective deployment would be against the public interest. Obvious examples of groups in this category are medical workers, including nurses, midwives, and so on. Others include groups such as prison officers, policemen, probation officers and agricultural workers. Here the argument is that until such groups are given unrestricted access to a form of independent arbitration they are prevented from engaging in effective collective bargaining, unless they are prepared to act in ways that would clearly be against the public interest.

37. There are three main arguments against legally binding arbitration at the request of one party. The first, which is the most general, and also the oldest, is that arbitration of this sort encourages “irresponsibility” among the parties. It is sometimes said, for example, that in Australia constant reference to compulsory arbitration has discouraged compromise and that by “removing from the parties the responsibility for reaching agreement, and for the terms of agreement, the existence of the tribunal encourages the parties to stand firm and emphasises points of difference rather than common ground”.<sup>10</sup>

38. Unfortunately the evidence for this assertion is inconclusive, and other writers have suggested that arbitration does not have this effect in all Australian industries. Moreover, the system in Australia is not one in which strikes and lockouts can still take place whenever both parties prefer this, as was the case with the IDT. So far as the history of the IDT itself is concerned there is little evidence that it discouraged extremism or irresponsibility in bargaining behaviour, although it is only fair to point out that this would now seem to be part of the case made against its reconstitution by the Confederation of British Industry.<sup>11</sup>

39. At the time of its demise, however, the nub of employers’ case against the IDT seems to have been that as operated it was unfair or one-sided in its effects. Essentially the assumption behind this view was that the “fairness” of the machinery lay in the fact that either side to a dispute could use it in order to obtain a final and binding settlement. The theory was that while

<sup>10</sup> Kenneth F. Walker, *Industrial Relations in Australia*, p. 365.

<sup>11</sup> The CBI, when asked recently by the Ministry of Labour to give their views on the reconstitution of Order 1305 in some form said that compulsory arbitration, in their view, tended to detract from the effective operation of voluntary procedures, especially those that are complex and include items not readily arbitrable. Here it is perhaps worth mentioning that Professor Stieber, in his paper, seems to take a different view—i.e. he argues that in the USA grievance arbitration has actually stimulated the bargaining process by making both sides more ready to settle. (The CBI also argued that the relationship between incomes policy and compulsory arbitration was unclear but this is a point discussed further below.)

it would usually be the unions that took the initiative, often securing an award which represented an advance on that which they could obtain by other means, this was fair enough so long as on other occasions the employers could take the initiative and obtain a binding settlement equally favourable to them. But, in practice, it was alleged, this did not happen. For although unions used the machinery when they thought it suited them, and the employer concerned had to abide by any decision that went against him, employers knew that if they used the machinery and secured the dismissal of a claim *this would not be accepted on the workers' side.*

40. As was said in paragraph 4 above there were alleged to be two ways in which workers or their union could challenge the finality and enforceability of IDT awards which they did not like. One way was to start negotiations off again on the same or similar grounds, and the other was to encourage or participate in a strike aimed at securing better terms from the employer. As was seen in paragraphs 26 to 33 few concrete details could be obtained to support either of these assertions, but this does not mean that they were not believed at the time—nor even that there were no grounds for them. Furthermore, employers' associations evidently may have felt that it was futile for employers to take strongly organised groups through the IDT machinery, and this may well be one reason why it has not been possible to find more than one example of a case where they did invoke the machinery and this resulted in a strike.

41. However, it must be said that the possibility of strikes aimed at offsetting IDT settlements seems to be a much more serious argument against its return than the complaint that unions might re-open negotiations if they were dissatisfied with the findings. Negotiation is a continuous process, and it is hardly reasonable to expect a union to abandon totally all future arguments in favour of a wage increase simply because an arbitration tribunal turns them down. Moreover, it is hard to believe that an employer—unless he was threatened with some form of sanction—would have much difficulty in replying to a claim re-submitted to him after an IDT award in his favour; he need only say "no" and cite the award.

42. Those who accept that there is something in the claim that the old IDT machinery favoured unions at the expense of employers, yet who wish to retain some form of compulsory arbitration, have broadly three alternatives before them. First, it is possible to argue that there ought to be additional legal penalties for use against those unions and groups who can be shown to have taken action intended to set aside the effects of IDT awards. Second, it may be suggested that if unions or groups act in this way they should be denied future access to the Tribunal. Third, it can be maintained that any future Tribunal should have its jurisdiction limited to unions or groups where action of this sort is unlikely or impossible.

43. Clearly each one of these solutions contains its own difficulties. Arguments in favour of legal penalties have to contend with all the customary objections to the use of the law in order to secure a particular pattern of behaviour in industrial relations. The suggestion that all that is required is the right to deny offenders future access to arbitration does not meet the objection of employers that strong and militant groups do not usually wish

to invoke the aid of the Tribunal, nor do they need its help. (They are normally only likely to find themselves before such a body as a result of an employers' reference. It follows that the threat to take away a right they do not value is unlikely to deter them).

44. There remains the notion that a future Tribunal should only have jurisdiction over disputes affecting those unlikely to employ sanctions. One way this might be attempted would be by establishing a list of groups of workers who fell into a number of prescribed categories—e.g. those who were, as yet, relatively badly organised, together with those whose use of the strike weapon was generally regarded as undesirable on grounds of public interest. Only groups on this list could be the subject of a reference. This idea is probably the best way round the problems involved, but it is not without its own difficulties. To begin with it would be a rather rough type of justice which sought to divide workers into a number of broad industrial groups, excluding all those employed in "well-organised" sectors. As has been said there are pockets of non-unionism in almost all industries, and well-organised sections in most. Similarly, it would be even more unfair to decide on the basis of the presence within the industry of "strong" or "powerful" unions. Even the largest and most powerful union sometimes acts on behalf of badly organised groups.

45. It might be necessary to begin by listing the obvious groups for inclusion and then provide for application on behalf of either unions or employers for additional places on the list. In some instances this might involve a prior reference to a body like the Recognition and Procedures Tribunal suggested by Flanders, which presumably would be in the best position to pronounce upon the level of organisation among the group concerned.<sup>12</sup>

46. The third and final argument against arbitration in general is that it is potentially inflationary, and that in the case of the IDT it took little or no account of the needs of incomes policy. As we have seen the facts seem to indicate that the IDT was no more inflationary than other forms of wage settlement, but there can be little doubt that if incomes policy is taken seriously there is something paradoxical in a Government establishing machinery which can be used to give legal support to wage settlements that violate its own policies. Those who are persuaded by this argument, but who still wish to re-introduce one-party arbitration in some form, are led to suggest that any future IDT would have to be instructed to take into account the requirements of incomes policy.

<sup>12</sup> See Flanders, *Collective Bargaining: Prescription for Change*, Faber and Faber, 1967, p. 39.

CHECK-OFF AGREEMENTS IN BRITAIN :  
A STUDY OF THEIR GROWTH AND FUNCTIONS

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SUMMARY (BY THE RESEARCH DIRECTOR)<sup>1</sup>

1. This paper describes the recent rapid growth in the practice whereby employers deduct trade union dues from the wages of members in their employment and pay them over to the union or unions concerned. The term "check-off" is increasingly used to describe this arrangement although other terms such as "payroll deductions" are sometimes employed.

2. Ninety trade unions gave information to the authors concerning their check-off arrangements, as well as a number of employers' associations. The unions co-operating represented over 83 per cent of the membership of trade unions known to the Ministry of Labour. It is estimated that about 21 per cent of the members of these unions were covered by the check-off—i.e. roughly one and three-quarter million workers. On the basis of their survey the authors estimate that the check-off probably affects at least two million trade unionists—i.e. about one union member in five.

3. The majority of these workers are employed in the public sector of industry, including the civil service. It follows from this that the check-off is most prevalent among unions that have a large part of their membership in the public sector, and in fact almost 83 per cent of check-off membership belong to eleven unions. Nevertheless, there are examples of check-off arrangements in most sections of private industry, and it is estimated that about 1,200 private firms have agreed to the check-off.

4. In the past five years there has been a major change in union attitudes towards the practice. The traditional view was that the collection of dues, either at the branch or by workshop representatives, was an essential guarantee of union independence and a valuable point of contact between members and their union. More recently it has been realised that arrears of contributions, which arise when traditional methods of collection are used, can become an important source of loss of revenue. Also the handling of small sums week by week poses accounting problems and opens the way to errors and even defalcations. Similarly, failure to collect dues exaggerates problems of turnover, encourages lapsing and can lead to members being debarred from benefits later on. Increased awareness of such problems has been combined with the realisation that the check-off, which is one way of solving them, does not in fact lead to a decline in union independence, or in

<sup>1</sup> The authors of the paper are not responsible for any of the shortcomings of this summary.  
W.M.

the cessation of contacts between the union and the members; certainly it has been possible to take action to avoid effects of this sort. At the same time a number of employers, particularly within the public sector, have come to see the administrative convenience of the check-off, and have regarded it as a concession which they would be well advised to grant to trade unions.

5. The research paper also contains a discussion of the legal position of the check-off and its relationship with the closed shop and the political levy. It is suggested that the check-off has less effect on the growth or containment of the closed shop than might at first be thought, and that it is possible to operate it in a way which fully safeguards the position of those who do not wish to pay the political levy.

6. Appendix A lists unions according to the proportion of their members affected by the check-off and contains a number of tables showing the proportion of workers affected in different regions and industries. Appendix B deals with the problems involved in payment to the employer for check-off services.

W. M.

## A. INTRODUCTION

7. "Check-off" is the arrangement whereby employers deduct trade union dues from the wages of members in their employment and pay them over to the union or unions concerned. The expression is an American one. In this country phrases like "payroll deductions", or "contribution deduction schemes" or simply "deduction schemes" are often used in preference. "Check-off" is the simplest way of describing them all.

8. Our study of the check-off in Britain began in the summer of 1965 when we began a private research project designed to find out the extent of the practice, how and where it had grown up, how far trade unions and employers had changed their attitudes to conventional methods of trade unions collecting their own dues, and to inquire what problems, including legal ones, had been found in its application. Later in the year the Commission requested us to produce evidence on the subject and the remainder of the inquiry was therefore carried on under the Commission's auspices. What follows is a summary of our findings on the situation between the autumn of 1965 and the spring of 1966.

9. Ninety trade unions responded to our request for check-off information, as well as a number of employers' organisations. The total trade union membership covered was almost 8·5 million, or over 83 per cent of the membership of all unions known to the Ministry of Labour during the period in question. Sixty-six of the 90 unions reported that they had members on check-off arrangements. In all 1,761,000 members were involved, almost 21 per cent of the trade union membership covered by the inquiry.

10. There are several reasons for believing that this figure is too low as an estimate for check-off in the country generally. In the first place there may be instances of check-off in unions not included in the inquiry. Secondly, not all unions were able to give us complete information, either because returns made to them were incomplete, or because instances of the practice had escaped their notice. Thirdly, it seemed prudent to include only firm and

well authenticated deduction schemes in which detailed information on the union, the employer and the numbers of members involved could be obtained. Finally, numbers of members on check-off were increasing rapidly in some unions as the inquiry proceeded. Many of these could not be included before the investigation closed in the spring of 1966. Since then there are known cases of the practice having been extended to more unions and employers. It would be surprising if the total figure of trade union members having their dues deducted had not, by the beginning of 1967, grown to at least 2 millions, or some one in five of all trade union members in the country.<sup>2</sup>

## B. THE DEVELOPMENT OF THE CHECK-OFF

11. There is evidence of some check-off arrangements in Britain before the First World War, and rather more evidence of their existence between the wars. In the 1930's check-off certainly occurred among coal miners in some areas, in flint glass making, among distributive workers in Co-operative employment, and in a few local authorities. In 1943 it was by Order extended to members of the National Union of Seamen serving on foreign-going ships.<sup>3</sup> During and immediately after the war many of the major unions now concerned in the practice had at least some members on check-off. In 1949 the National Coal Board and the National Union of Mineworkers agreed upon a deduction scheme which was later extended to other unions recognised by the NCB, under certain conditions.<sup>4</sup>

12. The NCB/NUM arrangements seem to have constituted no great precedent outside the industry itself. There was a modest expansion of deduction schemes in other industries in mining areas in the 1950s, and it is possible that this was encouraged by ex-miners working in them. It was only in the 1960s that many unions began actively to seek check-off facilities, and this change in climate led to two major developments in 1965 and in 1966. From January 1965 deductions were made by the British Railways Board for two of its unions;<sup>5</sup> London Transport followed suit. In July 1965 the Treasury offered to recognise staff associations a scheme whereby deductions would begin in January 1966. The full effect of these developments has not yet been felt. It seems reasonable to suppose that within the near future check-off arrangements will apply to the bulk of Government

<sup>2</sup> Since our survey was completed, for instance, check-off agreements have been extended into the National Health Service and Electricity Supply.

<sup>3</sup> Here the arrangement is known as the "List System". It only applied then, and only applies now, to seamen serving on foreign-going ships operating under the National Maritime Board. Hence the number of seamen on check-off has sometimes been over-estimated.

<sup>4</sup> The British Association of Colliery Management, The National Association of Colliery Overmen, Deputies and Shotfirers and the Clerical and Administrative Workers' Union have also agreed to the scheme. In Durham, however, the NUM maintain an orthodox collection system, and while virtually all Power Group (National Union of Engineers, Firemen and Electrical Workers) members subscribe to the check-off, there are some exceptions among cokemen in Yorkshire and South Wales. The whole of Power Group 2 (National Union of General and Municipal Workers) also pays its dues directly to the branch. The NCB's requirements are that unions may only have check-off facilities if they have exclusive negotiating rights at national level, if they have more than 5,000 members, and where the number of members in one accounting unit is 100 or more.

<sup>5</sup> The National Union of Railwaymen and the Associated Society of Locomotive Engineers and Firemen. Since the inquiry was completed, the Transport Salaried Staffs Association has also agreed to check-off arrangements in British Rail, London Transport, Docks, Hotels, Waterways and Associated Humber Lines.

public service, and probably also to those public corporations uninvolved, or only partially involved, at present.<sup>6</sup> It seems likely to grow also in local government, where it is not at present widespread,<sup>7</sup> and many private employers are now thinking more favourably of the practice than they once did, though it is doubtful whether this has anything to do with the British Rail or Treasury decisions.

### C. THE CHECK-OFF POSITION IN EARLY 1966

13. Inevitably as a result of these developments, the majority of trade union members on the check-off are outside the private sector, as the following table shows:

TABLE 1

Approximate proportions of trade union members on check-off in public and private employment

Great Britain Spring 1966				<i>Per cent</i>
Central and Local Government	...	...	...	32.2
Public Corporation	...	...	...	46.8
Co-operative Societies	...	...	...	6.8
Private Employment	...	...	...	14.2
All employment	...	...	...	100.0

14. It follows from this that the largest proportion of check-off membership is to be found in unions which have all or a large part of their interests outside private industry:

TABLE 2

Trade unions with over 40,000 members on check-off

Spring 1966. <sup>8</sup>					Check-off Membership ('000)
Union					
National Union of Mineworkers	...	...	...	...	405.2
National Union of Railwaymen	...	...	...	...	222.6
Union of Shop, Distributive and Allied Workers	...	...	...	...	146.6
Transport and General Workers' Union	...	...	...	...	145.2
Union of Post Office Workers	...	...	...	...	140.0
Civil Service Clerical Association	...	...	...	...	130.0
Post Office Engineering Union	...	...	...	...	85.0
National Union of General and Municipal Workers	...	...	...	...	52.4
National Union of Seamen	...	...	...	...	50.0
National Union of Local and Government Officers	...	...	...	...	42.0
Associated Society of Locomotive Engineers and Firemen	...	...	...	...	41.8
					1,460.8

<sup>6</sup> The United Kingdom Atomic Energy Authority extended check-off to staff associations on the first pay day in 1966; it has not yet done so to manual workers. Some Area Gas Boards have adopted the practice, but not all.

<sup>7</sup> Our inquiries showed 288 Local Authorities to be operating check-off, most of them for one union only, but a few for a number of unions.

<sup>8</sup> Since this table was completed information has been received of further increases in the check-off coverage of two of the unions listed. At the moment of writing (i.e. October, 1967) the Shop Workers claim that some 50 per cent of their membership is covered by payroll deduction arrangements—i.e. an increase of about 30,000 on the figures above. The General and Municipal Workers now say that they have 12 per cent of their members on the check-off, which would mean an increase of some 50,000.

15. Almost 83 per cent of check-off membership of unions in the spring of 1966 was in these 11 organisations. A complete list of unions with check-off and approximate proportions of their membership involved is given in Appendix A.

16. Taking the economy as a whole, about 7 per cent of insured employees have facilities for the deduction of trade union dues from their wages. Figure 1 shows that these are widely scattered over the breakdown of the Standard Industrial Classification. In part the reason for this is that non-private employment occurs more widely in the economy than is immediately apparent. But it is also true that there are very few privately owned sections of it which have no check-off arrangements at all, and there are some industries in which it is common.<sup>9</sup>

17. Shipbuilding and vehicles (if for this purpose railway workshops are included as transport) and insurance, banking and finance stand out as non-check-off groups, but even metal and engineering, timber, furniture, paper, printing and construction have some, and so does fishing. In the food, drink and tobacco group the check-off appears mainly in bread, flour and confectionery, cocoa, chocolate and the canning of fruit and vegetables. In the chemical group, more than half check-off membership is in chemicals proper and in dyes. Hosiery and knitwear, tailoring, production of man-made fibres, glass, brick making, spinning and doubling and textile finishing, all have some deduction schemes. There are almost 14,000 trade union members on check-off in the gas industry and about 3,000 in electricity. In transport, railway and the Post Office deductions, of course, dominate the scene, followed by sea transport, but there are approximately 21,000 trade union members on check-off in road haulage contracting, most of them in the Transport and General Workers' Union. Figure 2 gives approximate proportions of trade union members on check-off in the main Standard Industrial Classification groups as far as this is possible.

18. The development of check-off in private industry is clearly assisted in situations where joint relationships between the parties have been close for a long period of time. Hosiery and knitwear and flint glass making are examples of this. But close relations have not always resulted in check-off so far. There are too many other factors involved in the situation. It would be surprising if all unions were equally enthusiastic about payroll deductions, if only because of their history and type. While clerical and staff unions tend to find the system acceptable,<sup>10</sup> it might be supposed that general or process worker unions would find the check-off easier to adopt than craft unions, and that multi-union organisation in an industry or establishment would make its application more difficult.

19. Undoubtedly, these suppositions are generally true, but there are many exceptions. There are, for example, opponents of the check-off in the Transport and General Workers' Union, though the general attitude of the Executive Council is favourable; there are fewer opponents in the National

<sup>9</sup> We estimate that about 1,200 private firms have agreed to check-off.

<sup>10</sup> Some staff unions, though not opposed in principle to check-off, find collection of subscriptions by bankers' order even more convenient. Examples of these are the Merchant Navy and Air Line Officers' Association, and the Society of Telecommunications Administrative and Controlling Officers.

Union of General and Municipal Workers. Both the Fire Brigades Union and the National Union of Sheet Metal Workers and Coppersmiths believe that their workplace organisation is sufficiently good as to make deductions unnecessary. Some craft unions regard their rules as positively irreconcilable with check-off. Among these is the Amalgamated Society of Woodworkers. Others either see no great problem in the rules, or have been prepared to change their rules to accommodate it. In some traditionally craft unions, check-off exists in small pockets, even though it could be argued that in rule this is not permissible. An example of this is the Amalgamated Engineering Union.<sup>11</sup> Clearly many unions with no clear policy *against* deductions have not been prepared to stand in their members' way when they have been willing and able to secure deduction schemes. Multi-unionism seems to provide a barrier to check-off in some cases, but not in others. It has certainly been a factor in damping down possibilities in engineering, though only one of many. Among engineering craft unions it is perhaps surprising to find that some positively encourage the practice. Among these is the Amalgamated Union of Foundry Workers, the National Executive Council of which has specifically decided that shops and branches may make deduction arrangements if the members wish it.<sup>12</sup>

20. Among trade unions the check-off has made a good many converts in the past few years. Among these are the Transport and General Workers, the General and Municipal Workers, the National Union of Dyers, Bleachers and Textile Workers, the United Rubber Workers of Great Britain, the Clerical and Administrative Workers' Union, the National Union of Public Employees, the National Union of Lock and Metal Workers, and the Electrical Trades Union,<sup>13</sup> as well as those trade unions concerned with railways and the Treasury's offer to civil service staff associations of 1965.

#### D. CHANGING ATTITUDES TOWARDS THE CHECK-OFF

21. There have, in the past five years been sufficiently important changes in the attitude of trade unions to payroll deductions to suggest that employers will be more frequently asked for such deductions in the future than they have been in the past. Employers themselves are also becoming more interested in the practice, as can be seen from a British Institute of Management inquiry of 1965,<sup>14</sup> and from the evidence of the Institute of Personnel

<sup>11</sup> AEU Rule 3(1) states that all members' contributions and other payments unless otherwise provided for by rule, must be paid at the fortnightly branch meeting. Rule 7(12) lays down that no secretary shall be allowed to take any members' contributions out of branch meetings, except those of seagoing and registered members, and such as are remitted by post in the form of postal order, money order or cheque.

These rules were clearly not drawn up when check-off was even a possibility and they could be taken to rule it out entirely. On the other hand, they could be held to permit it. In practice monies are taken out of branch meetings and paid in there, since only the secretary is specifically debarred from doing this, except in the circumstances laid down in Rule 7(12). If an employer were to send collected contributions fortnightly to branches, it is possible that no rule would be contravened. So far there has been no official ruling on the matter.

<sup>12</sup> 15 December 1965.

<sup>13</sup> The Electrical Trades Union changed its rules to make formal provision for check-off in 1965 and the Transport Salaried Staffs Association in 1966.

<sup>14</sup> *Check-off: Deduction of Union Dues from Employees' Pay*, July 1965.

Management to the Commission.<sup>15</sup> Also, the Trades Union Congress, in evidence to the Commission, has made a statement of sympathetic if understandably cautious approval.<sup>16</sup> In contrast, the Confederation of British Industry has been reported as watching check-off developments warily.<sup>17</sup>

22. In the past trade unions have been fearful of payroll deduction on a number of counts. They have generally argued that the collection of dues, either at the branch or by workplace representatives, is a guarantee of the union's independence and forms a valuable point of contact with members, views shared by some academic observers.<sup>18</sup> Undoubtedly, this view is still widely held in trade union circles, and is buttressed by the fear that, if unions no longer retained direct responsibility for their dues, they might become as abstract and remote as an insurance company. It is a working class habit to pay over small sums in cash at regular intervals. Members are familiar with the practice and might resent doing otherwise. Collectors paid by some unions for getting in such cash might resist the loss of their commissions. Finally, there has been the apprehension that trade union officials, relieved by check-off from constant concern over lapsing members, might, in the words of more than one member, "put their feet up".

23. Such attitudes are still strong among many trade union members and officials, but they have been tempered in recent years by the realisation that unions have been paying dearly for the principle of independent payment in the form of lost income, administrative efficiency and membership turnover. Arrears of contributions have in some unions become an important loss of revenue. This may have arisen from the shortage or inefficiency of collectors, from unwillingness of members to attend branches, or simply from their reluctance to part with money.<sup>19</sup> The handling of small sums week by week poses an accounting problem of great complexity and opens the way at best to errors, and at worst to defalcations. Failure to collect dues exaggerates problems of membership turnover and encourages non-membership. Finally, falling out of compliance at some point in a trade unionist's life may debar him from benefits later on, and this may lead to recriminations and a bad press, even though the rules have been strictly adhered to.<sup>20</sup>

<sup>15</sup> Written evidence to the Royal Commission, para. 43.

<sup>16</sup> *Trade Unionism*, 1966, paras. 380-384.

<sup>17</sup> *The Times*, 14th March 1966.

<sup>18</sup> See, for example, B. C. Roberts: *Trade Union Government and Administration*, 1956, pp. 50-51. More recent observers have had doubts about the validity of this attitude. See H. A. Clegg, A. Killick and R. C. Adams: *Trade Union Officers*, p. 224, in relation to the Mineworkers, and W. E. J. McCarthy: *The Future of the Unions*, p. 5.

<sup>19</sup> Dr. A. J. M. Sykes gives an interesting example of this from a factory in Scotland where he reports that almost one-third of the unskilled workers were several months in arrears with their union dues and the shop stewards complained that getting their dues of a shilling a week out of them was "like drawing teeth". "Some differences between the attitudes of clerical and of manual workers", *Sociological Review*, November 1965.

<sup>20</sup> One of many such cases was reported in the *News of the World*, 7th August 1966. In this instance it seems that an NUM member of 52 years standing was debarred from retirement benefit because of arrears of contributions arising before the check-off was instituted in his area. Such types of case occur often enough in the administration of State welfare benefits, but there seems to be something especially newsworthy about the failure of trade unions to be generous to their old members.

24. The realisation that payroll deductions can assist in solving these problems has been an important factor in changing union attitudes towards it. It is certainly more referred to by unions themselves as a motive for favouring check-off than any other. Membership is stabilised, even when it is not increased, and this in itself increases income.<sup>21</sup> It also reduces the amount of office work to be done, both in book-keeping and in claims on benefit. Somewhat to their surprise, unions have usually found that it has resulted in no noticeable loss of contact with members. The relationship between collection of dues and the servicing of members is apparently less important than it once seemed. Some officials have come to believe that collecting dues may detract attention from the processing of grievances rather than the opposite, and the irritations arising out of petty cash transactions may worsen relationships rather than improving them. Nevertheless unions embarking on check-off are aware that the membership-contact argument is the most serious one which they have to overcome, and often make special arrangements to ensure that check-off does not lead to a weakening of effort in this direction.<sup>22</sup> Where collectors have previously been concerned with collecting dues on commission, they also tend to take steps to safeguard their position.<sup>23</sup>

25. Despite this, members themselves often remain unpredictable about check-off. Some groups cannot be persuaded to accept it at any price; others are apprehensive of the fact that with payroll deduction the employer will know the level of trade union membership and that he might use withdrawal of check-off facilities as a weapon against them.<sup>24</sup> Since in private, and in some public industry, unions normally have to ask for facilities rather than being offered them by employers, the attitudes of members are often a hindrance to what the unions more enthusiastic for deductions would like to do.

26. But the final obstacle to a union enthusiastic for check-off is, of course, the employer himself. In some cases he would be advised by his association to accept it; in many more he would be advised against it on various grounds—interference with the freedom of the individual, the belief that there would be trouble from the fact that the union's strength would be known to management, the possibility of being asked for a closed shop, and the administrative problems arising where a number of unions and an inter-changing membership are concerned.

<sup>21</sup> In one example quoted to us a union's quarterly income from dues at one firm rose, without any increase in membership, from £2,761 a quarter to £4,072 a quarter when check-off was introduced.

<sup>22</sup> USDAW, for example, makes special recommendations to branches when deduction schemes are introduced designed to see that contact is maintained. In some unions an attempt has been made to retain the personal contact by keeping on collectors and requiring them to go round in person and sign cards once a month. In others, new circulars or publications have been devised to maintain relationships with members.

<sup>23</sup> Some unions have been willing simply to eliminate collectors and hence their commissions. Others have been less bold. In one civil service staff association, collectors were formerly paid 5 per cent commission for collecting and a further 5 per cent for getting returns in by a specified time. After check-off they are paid 5 per cent for sending in the list of members and a further 2½ per cent for doing this by a given date—the other 2½ per cent going to the Treasury to meet collection costs. Collectors, assuming that more dues are now collected, have probably lost nothing.

<sup>24</sup> There is at least one case of this having happened. In March 1966 Hull trawler owners were reported to have suspended deduction arrangements as a result of a strike. They were subsequently restored.

27. In the last resort, however, managements still make up their own minds. They have often accepted check-off, or even offered it, simply to save the working time normally involved in the collection of contributions in the workplace. Collecting time, whether officially allowed by managements or not, is notoriously difficult to regulate. The possibility of eliminating it altogether and of reducing the need for card checks can be attractive. But some employers have found it useful to agree to check-off as a *quid pro quo* for the convenience and saving of administrative time in paying by cheque,<sup>25</sup> or to the nearest 10s. note. Others have wished to avoid the possibility of disputes arising out of the non-payment of dues or argued that the security of recognition involved in deductions might improve management-union relations.

28. Generally speaking, the management attitude is one of caution, though some have offered check-off as a matter of policy, and often had it accepted. Most private employers if approached for a deduction scheme would either refuse or proceed with great care. Many believe that it is wrong for them to involve themselves in traditional trade union functions and to appear to put the non-member on the spot by making him declare his non-membership. But it is also true that their attitudes involve tactical considerations. Some fail to see what they have to gain by it; others suspect that this will merely be one more concession which will work out to their disadvantage. Why should they help to strengthen the union and to provide it with funds which may be used against themselves? Some clearly believe that though the check-off may save time in collection of dues on the shop floor, it will complicate their administration and turn out to be expensive in practice. It may also release the energy of shop stewards for more grievance handling, and this might prove to be a very bad thing indeed.\*

29. In practice, it seems that the more extravagant objections to deduction schemes by opponents on both sides are usually unfounded. Certainly none of the more fundamental of management fears have been borne out where the system has been introduced. But possible benefits to them may have been exaggerated also. Except for time-saving, these are somewhat intangible, and the fear of hidden complications in embarking on an unfamiliar practice in conflict situations in the workplace is no doubt real enough. At the same time, acts of faith by British management in industrial relations are all too rare. Generosity over check-off may bring its own reward, even though this cannot be precisely predicted or measured. If trade unions are well organised and well established in an organisation, there seems to be little point in managements acting as if every move is to be judged simply on grounds of temporary advantage or disadvantage to one side or the other.

#### *The Legal Position*

30. There is no statutory provision in this country by which the check-off is either permitted or forbidden; nor has the question of its legal position been raised in the courts. The only ground on which its legality could possibly be doubted is that it could be considered as a "deduction" from

\* Since the Payment of Wages Act 1960, so far as workers covered by the Truck Acts are concerned.

<sup>26</sup> Some trade union officials who are opposed to check-off are inclined to agree with them.

wages prohibited by section 3 of the Truck Act 1831, as interpreted by the House of Lords in *Williams v. North's Navigation Collieries* (1906, A.C.136). This provides that "the entire amount of the wages earned by or payable to any artificer" in respect of any labour done by him shall be paid actually to such artificer in the current coin of the realm and not otherwise", unless expressly permitted by statute.

31. The original intention of the Truck Act was simply to protect workers from abuses in connection with payment of wages in kind and especially against the "Tommy Shop" and this was later extended to protect those who might be involved in disciplinary fines, deductions for bad work or damage to employers' property and for the use of such things as materials, tools, heat and light. In 1961 the Karmel Committee<sup>27</sup> reported on the current operation of the Truck Acts, finding that, though they were seldom wilfully breached, they were often difficult to apply in present day conditions, and that a wide range of deductions were being made in industry which might appear to be contrary to law.

32. The Committee did not refer specifically to the check-off in this context, and there is no reason to believe that the practice constitutes a violation of the Truck Acts, since it was laid down by the House of Lords in *Hewlett v. Allen* (1894, A.C.383) that the payment by an employer of a portion of an employee's wages to a third party acting as the employee's agent for collecting such a portion was not a "deduction" within the meaning of section 3 of the 1831 Act.

33. In *Hewlett v. Allen* it was a condition of the plaintiff's employment that she should join a sick and accident club and she had authorised the defendants (her employers) to pay to the treasurer of the club's fund every week the amount due from her for her subscription, and to pay to her the remainder of her wages. Her action for repayment of the difference was dismissed on the ground that the payment to the treasurer was, within the meaning of the relevant sections of the Truck Act, "a payment to the person employed as if the current coin of the realm had been placed in his or her hand" (*per* Lord Herschell, L.C. at p. 389).

34. Any employer, therefore, who pays part of the wages of a trade union member to the official authorised by rule to collect subscriptions for that union is paying to him the entire amount of the wages due to him in current coin of the realm, provided, of course he does so with the employee's authority, and that this authority is revocable by the employee concerned.

35. Such authority is normally given in writing and no doubt such a procedure is advisable. But, as a matter of law it may be given orally and, as has been pointed out, "both for manual and non-manual workers, all that is required is simply their agreement, expressed or implied, to the deduction."<sup>28</sup> The implication may result from a collective agreement the terms of which are tacitly incorporated in the contract of employment. There appear indeed to be some instances in which the check-off has been

<sup>27</sup> The Act does not apply to domestic or other menial workers.

<sup>28</sup> Report of the Committee on the Truck Acts 1961, HMSO.

<sup>29</sup> Cyril Grunfeld: *Modern Trade Union Law*, 1966, p. 133.

applied by firms on the oral request of the trade union members concerned.<sup>30</sup> But these have been few and far between. In most cases each individual member, almost invariably on a separate document, but sometimes on a list submitted to management, is required to give his consent to so-called "payroll deduction". There is no case known to us in which a collective agreement, unsupported by individual authorisation, has been thought to be sufficient for the purpose.<sup>31</sup> The evidence is overwhelming that, although there may be some cases of a highly informal check-off arrangement, the parties generally have taken a most responsible approach to the matter.

36. In *Hewlett v. Allen* the employee's membership of the sick and accident fund was a condition of her contract of employment. So far as the writers are aware, there are few instances in which payroll "deductions" have gone so far, no doubt because of the unwillingness of employers to agree to a formal closed shop. Revocability of the employer's authority to pay subscriptions to the union is preserved in all but a tiny minority of instances.<sup>32</sup> It is also worth noting that any effect which the Truck Acts may be thought to have on check-off is confined to manual workers as defined in s.10 of the Employers and Workmen Act of 1875 (see the Truck Amendment Act 1887, s. 2.). They do not apply to white-collar workers.

#### E. THE CLOSED SHOP AND THE POLITICAL LEVY

37. While there has been remarkably little public controversy about the check-off, the matter has been raised in the House of Commons on three occasions during the past four years, principally in connection with the closed shop and the political levy.<sup>33</sup>

38. The closed shop has, of course, been a long-standing subject of controversy, and will no doubt continue to be so. Comment has already been made on the reluctance of employers to make the check-off a condition of employment since this would inevitably lead to a formal closed shop. But this clearly does not remove a possible connection between the check-off and the closed shop. The check-off can be regarded by unions either as a near and acceptable alternative to 100 per cent trade unionism,<sup>34</sup> or as a means of bringing 100 per cent trade unionism, or a formal closed shop within reach.

<sup>30</sup> Electrical Trades Union. Evidence to the Royal Commission on Trade Unions and Employers' Associations. Appx. V, Minutes of Evidence 57.

<sup>31</sup> The notion that authorisation in writing is essential may have been derived from s. 23 of the Truck Act 1831, which provides for this procedure in respect of certain specified deductions. This analogy is evidently false if, on the authority of *Hewlett v. Allen*, the check-off is not a deduction at all. But it is obviously convenient for administrative purposes to have written authorisation from each individual and such an action establishes the arrangement beyond dispute.

<sup>32</sup> It is arguable but not certain that, in view of Lord Herschell's judgment in *Hewlett v. Allen*, any agreement purporting to make the authority irrevocable would be void as a violation of s. 2 of the Truck Act 1831.

<sup>33</sup> See Hansard: Monday, 3rd December 1962 (Mineworkers—Deductions from Pay), Tuesday, 22 June 1965, and Wednesday, 7th December 1966 (Trade Unions, Contribution to Political Fund Bill). See also Conservative Political Centre: *Industrial Advance*, A report from the Conservative Trade Unionists' National Advisory Committee together with evidence to the Royal Commission on Trade Unions and Employers' Associations, September 1966.

<sup>34</sup> This is evidently the sense in which the Ministry of Labour was referring to the check-off in its written evidence to the Commission, pp. 88-9, para. 57.

39. Certainly many employers regard the check-off in the former light; in most cases they have not made this explicit in any agreement with unions, but there are instances in which, as we have pointed out, companies have required written assurances that it would not be used as a means of attempting a closed shop. The fact that a worker has formally declined to complete a deduction form does not, of course, make it impossible that his fellow workers might subsequently put pressure on him to do so. In one sense, it makes this easier, since it identifies him more clearly. On the other hand, if a worker has failed to "contract in" and if lapsing membership is the result of a deliberate act of "contracting-out", managements are in the position of having removed the possibility of having to resist the dismissal of a worker who has lapsed by neglect or inadvertence, or who has refused to pay without giving himself time to consider the consequences.

40. It is generally true, however, that in private industry unions are unlikely to ask for check-off, or employers to agree to it, unless they consider that they already have 100 per cent membership, or something very near to it. In some cases, therefore, check-off is thought of as setting the seal on an existing situation; in others as a help in getting everyone in the union, though this may not be pressed to the limit. There can be no union that would not like to have 100 per cent membership. But there are differences in the intensity with which this aim is pursued. So far as the evidence goes, there are few situations in which, if 100 per cent membership does not already exist before check-off, unions have deliberately in mind to close shops if they are given the facility. Some union officials believe that the check-off reduces rather than increases the demand of members that everyone should be in the union, since it reduces the possibility of the "free-riders" who often annoy trade union members and stimulate a 100 per cent membership drive.

41. Generally speaking, the check-off seems to be more neutral in the closed shop controversy than some observers would believe. If 100 per cent membership already exists, it only serves to stabilise an existing situation; if it does not, there is no necessary suggestion that it will tend in that direction, except in so far as it tends to increase membership. In fact, this appears to be the basic argument of those who opposed the check-off on the closed shop argument. If workers have to take a decision to sign or not to sign, most of them will do so, a fact which has surprised more than one trade union official. Of those who do not, it cannot be assumed that all are not trade union members, for in many cases, the alternative of paying by some more orthodox method has often to be left open.

42. The political levy and its relation to the check-off seems to have caused more concern outside industry than it has inside. Two possible situations may exist. In the first, the union concerned has a contribution with a separate political levy. In this case it is simple for an employer to agree if he wishes to deduct the main contribution and to leave it to the union to collect the political one. In practice, it seems that some leave it to the union, but others are willing also to include it. In the second case,

the union has an "all-in" contribution, and though a few employers agreeing to check-off may have refused to have anything to do with the political levy part of it most of them seem not to have demurred from collecting it in these circumstances.

43. In either event, members have, under the Trade Union Act 1913, a right to contract out of paying to political funds if they so wish by completing an appropriate contracting-out notice. Where the levy is separate and is not collected by the employer, the situation is no different from the more normal one which arises when members are responsible for paying their own dues. Where contributions are collected all-in, the question of a refund to contractors-out arises, whether there is check-off or not, and is allowed for in the 1913 Act.<sup>35</sup> But where there is a check-off, it is naturally not the employer who is responsible for the refund, but the union itself.

44. It evidently seems to some observers that employers ought never to be put into the position of having to collect the political levy at all. There are representatives of this view on both sides. But others who criticise this position are apparently attacking, not the check-off itself, but the whole principle of contracting-out and of the procedure of allowing for all-in contributions and refunds under section 6 of the 1913 Act.<sup>36</sup>

45. As with the closed shop and the check-off, the relation between the check-off and the political levy seems not to have raised any new, or aggravated any old, difficulties so far as industrial relations are concerned, or to have given rise to any new legal problems. If employers are sensitive to the latter, they have usually not paraded the fact. But if they consider the collection of political contributions to be embarrassing, a method of escape has been demonstrated by the Treasury, which is perhaps in the position of being more sensitive than any private employer on the subject of political involvement. In its agreement with the Staff Side of the National Whitley Council to deduct subscriptions of civil service staff associations, the Treasury made two conditions on all-in contributions, including political levy. The first was that the department should not at any time have information about the number or identity of members contributing to the levy. The second was that, from the time the check-off came into force, associations should refund the full amount of refunds annually to members *in advance*.

#### F. AN OVERALL VIEW ON THE CHECK-OFF

46. It has not in the past been customary in Britain to use the check-off as a method of collecting trade union dues. Until the 1960s, there seems to have been no great demand for it on the trade union side, though it was firmly entrenched in the shipping industry, in coal mining and a number of smaller sectors of the economy, and existed in pockets here and there.

<sup>35</sup> s. 6.

<sup>36</sup> This appears to be the implication of a paragraph in *Industrial Advance*, p. 6, which reads:

"Under these [check-off] arrangements the political levy is also deducted, and continues to be deducted, not only without any pretence of an authority, but in the face of a duly signed contracting-out form. The member's only recourse is to go to his union from time to time, and reclaim the money. Apart from the fact that this comes near to fraudulent conversion, it means that a union member has to repeat what may well be to him an act of courage, time and again for ever".

Five or six years ago the climate began to change, and unions, very largely for reasons of finance and membership stability, began to regard the check-off with more enthusiasm. Since then deduction schemes have multiplied with some rapidity, but the crucial decisions have been those of the British Railways Board and of the Treasury to agree to check-off facilities. This has led to a rapid growth in check-off numbers in the public sector which, added to a lesser private sector development has now produced a situation in which some 2 million trade union members now have their dues deducted, and in which this number appears likely to increase in the future. This is a remarkable development in the British industrial relations scene.

47. The check-off appears to have grown up in this country with exceptionally little fuss by formal or informal agreement between particular trade unions and different authorities, companies and managements. This is not surprising. Generally speaking the practice seems to be the least contentious of all those concerned with union security.<sup>37</sup> It raises fewer hackles than the closed shop, fewer problems than seniority, redundancy or other such arrangements. Employers frequently feel that financial stability encourages responsible trade unionism<sup>38</sup> and that check-off is an inexpensive gesture of goodwill which they ought to make if they can.<sup>39</sup>

48. Undoubtedly, the late development of deduction schemes in this country is mainly due to the independent attitude of mind of trade union members and their organisations and the lack, until recently, of a sense of public approval which might lead employers to respond to check-off requests. Multi-unionism may also have been, and still is, a hampering factor. But the check-off is not illegal. Nor can the law be shown to have inhibited its development.

49. It is possible to argue that the present situation is wholly satisfactory. No employer is forced into the check-off. No trade union member is compelled to have his subscriptions collected in this way, and rights of contracting-out have been respected. It is left to the parties whether they adopt a deduction scheme or not, and, if they do adopt one, to determine what arrangements and conditions are best suited to their particular circumstances. Industrial and public interest appear to be well safeguarded.

50. Most of the changes which could be made in check-off law and practice would undoubtedly be unpopular with trade unions and employers. It would be possible for trade unions to be given the right to check-off on request. This is not a development which either trade unions or employers would wish. It would be possible to give *individual trade union members* the right to have their own dues collected on request, but this would seem to raise the status of the individual over that of the collective agreement and be administratively difficult.

<sup>37</sup> See, for example, Canadian Congress of Labour: *The Case for Union Security and the Check-off*, 1951 p. 40.

<sup>38</sup> Overseas Employers' Federation: *Deduction of Union Dues by the Employer (Check-off)*, 1961 p.1.

<sup>39</sup> The point was forcefully put by a Canadian Board of Conciliation (Labour Gazette October 1945): "Where it is in the power of one group, with little trouble and no financial loss, to assist the other group, the refusal to so assist is the mark of an unfriendly and non-co-operative attitude".

51. The conclusion may well be that there is little or no scope for legislation about the check-off or action other than the general encouragement which the Government has already given to its own employees and, by inference, to private industry also. But one final point remains. There does appear to be some doubt as to the form in which check-off may be agreed legally. While this has not been unduly hampering, there seems to be no point in allowing uncertainties to remain in an area in which there is now wide public acceptance of the practices and principles involved. Legislation for the removal of such doubts may be the appropriate action for the Commission to recommend.

## APPENDIX A

### 1. DENSITY OF CHECK-OFF BY TRADE UNION SPRING 1966

#### 90-100 per cent of Members on Check-off

- National Union of Flint Glassworkers.
- Telephone Contract Officers' Association.
- National Association of Colliery Overmen, Deputies and Shotfirers.
- Association of Locomotive Engineers and Firemen.
- British Association of Colliery Management.
- Association of Broadcasting Staffs.
- Prison Officers' Association.
- County Court Officers' Association.
- Post Office Engineering Union.
- Police Federation.
- National Union of Mineworkers.

#### 80-90 per cent of Members on Check-off

- Civil Service Clerical Association.
- National Union of Railwaymen.
- Telecommunications Traffic Association.
- National Union of Seamen.

#### 70-80 per cent of Members on Check-off

- Union of Post Office Workers.
- Society of Telecommunications Engineers.
- Society of Technical Civil Servants.
- National Guild of Telephonists.

#### 40-50 per cent of Members on Check-off

- Institution of Professional Civil Servants.
- Association of Government Supervisors and Radio Officers.
- United Road Transport Union.
- Union of Shop, Distributive and Allied Workers.

#### 30-40 per cent of Members on Check-off

- United Road Transport Union.
- National Union of Lock and Metal Workers.

#### 20-30 per cent of Members on Check-off

- Civil Service Union.
- National Union of Hosiery Workers.
- Amalgamated Society of Operative Lacemakers and Textile Workers.
- Amalgamated Society of Wire Drawers and Kindred Workers.
- Clerical and Administrative Workers' Union.
- National Union of Tailors and Garment Workers.
- National Association of Local and Government Officers.
- Transport and General Workers' Union.
- Heating and Domestic Engineers' Union.
- Chemical Workers' Union.

#### 1-10 per cent of Members on Check-off

- National Society of Pottery Workers.
- National Union of General and Municipal Workers.
- National Union of Dyers, Bleachers and Textile Workers.
- Bakers' Union.
- Sign and Display Trades Union.
- Amalgamated Union of Building Trades Workers.

National Union of Public Employees.  
National Union of Boot and Shoe Operatives.  
National Association of Theatrical and Kino Employees.  
National Union of Blastfurnacemen, Ore Miners, Coke Workers and Kindred Trades.  
Amalgamated Weavers' Association.  
Plumbing Trades Union.  
National Association of Card, Blowing and Ring Room Operatives.  
National Union of Journalists.  
Amalgamated Union of Foundry Workers.

*Less than 1 per cent of Members on Check-off*

Electrical Trades Union.  
Draughtsmen's and Allied Technicians' Association.  
Amalgamated Engineering Union.  
United Patternmakers' Association.  
Association of Supervisory Staffs, Executives and Technicians.  
Iron and Steel Trades Confederation.  
National Society of Electrotypers and Stereotypers.  
Society of Graphical and Allied Trades.  
National Graphical Association.  
Amalgamated Society of Lithographic Printers.  
Scottish Typographical Association.  
Wall Paper Workers' Union.  
Confederation of Health Service Employees.  
Scottish Commercial Motormen's Union.  
Society of Litho Artists, Designers, Engravers and Process Workers.  
Hosiery Bleachers, Scourers, Dyers and Finishers' Union.  
National Union of Agricultural Workers.

*Unions Reported to have no Members on the Check-off*

National Union of Sheet Metal Workers and Coppersmiths  
Amalgamated Society of Woodcutting Machinists.  
National Society of Metal Mechanics.  
National Union of Vehicle Builders.  
Merchant Navy and Air Line Officers' Association.  
National Union of Scalemakers.  
National Coal Board Labour Staff Association.  
\*Transport Salaried Staffs Association.  
Scottish Union of Bakers and Allied Workers.  
Power Loom Carpet Weavers and Textile Workers' Association.  
Electrical Power Engineers' Association.  
Fire Brigades Union.  
Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers.  
Northern Carpet Trades Union.  
British Airline Pilots' Association.  
Tobacco Workers' Union.  
Association of Post Office Controlling Officers.  
Inland Revenue Staff Federation.  
First Division Association.  
Society of Civil Servants.  
Society of Telecommunications Administrative and Controlling Officers.  
\*\*Ministry of Labour Staff Association.  
Leicester and Leicestershire Hosiery Trimmers and Auxiliaries.  
Amalgamated Society of Wood Workers.

\* But see footnote 5, p. 47.

\*\* This union has now accepted the Treasury Deduction Scheme.

2. PROPORTION OF TOTAL OF ALL TRADE UNION MEMBERS COVERED BY THE CHECK-OFF IN EACH INDUSTRIAL GROUP. GREAT BRITAIN, EARLY 1966.

Industrial Group	Percentage of total
Agriculture, Forestry and Fishing	0·1
Mining and Quarrying	26·7
Food, Drink and Tobacco	1·9
Chemical and Allied	1·3
Metal and Engineering	2·1
Textiles, Leather etc.	2·9
Bricks, Pottery etc.	1·2
Timber, Furniture, Paper, Print and Publishing	0·2
Other Manufacturing	0·8
Construction	0·5
Gas, Electricity and Water	1·0
Transport and Communications	33·8
Distribution	7·8
Professional and Scientific	2·1
Miscellaneous Services	1·3
Public Administration	16·3
All checked-off membership	100·0

3. ESTIMATED PROPORTIONS OF ALL TRADE UNION MEMBERS COVERED BY THE CHECK-OFF IN GREAT BRITAIN, BY MINISTRY OF LABOUR REGION excluding some blocks of checked-off membership which could not be attributed by Region. EARLY 1966.

Region	Percentage of total checked-off membership in each Region	Percentage of insured population in each Region on check-off
Scotland	6·4	5·1
North	5·8	7·8
North Western	9·8	5·7
Yorks and Lincs	10·6	8·3
Midlands	14·8	7·1
Wales	7·7	13·5
Eastern and Southern	4·3	2·9
London and South Eastern	8·0	2·4
South Western	3·2	4·2

4. DISTRIBUTION OF MEMBERS ON CHECK-OFF BY INDUSTRY GROUP IN THREE GENERAL UNIONS, STANDARD INDUSTRIAL CLASSIFICATIONS. GREAT BRITAIN: EARLY 1966.

		USDAW	TGWU	G & MWU
		Percentage in each group	Percentage in each group	Percentage in each group
Agriculture and Fishing	...	—	1·4	—
Mining and Quarrying	...	—	3·2	1·7
Extractive Industries	...	—	4·6	1·7
Food, Drink and Tobacco	...	5·0	12·6	6·9
Chemical and Allied Industries	...	2·2	12·2	3·6
Metal Manufacture	...	—	1·7	9·3
Engineering and Electrical	...	0·1	2·0	4·8
Shipbuilding, etc.	...	—	—	—
Vehicles	...	—	—	—
Other Metal Goods	...	neg	1·4	1·0
Textiles	...	—	7·7	2·3
Leather Goods	...	neg	0·2	—
Clothing and Footwear	...	0·3	1·3	—
Bricks, Pottery, etc.	...	neg	5·3	19·1
Timber, Furniture, etc.	...	—	0·2	1·1
Paper, Printing, etc.	...	0·3	0·8	1·3
Other Manufacturing	...	0·8	6·6	8·0
All Manufacturing Industries	...	8·7	52·0	57·4
Construction	...	—	2·1	1·3
Gas, Electricity and Water	...	—	2·8	17·6
Transport	...	—	27·7	0·8
Distributive Trades	...	89·1	3·2	3·4
Insurance, Banking, etc.	...	—	—	—
Professional and Scientific Services	...	—	0·2	—
Miscellaneous Services	...	2·2	1·1	11·9
Public Administration	...	—	6·3	5·9
Services	...	91·3	41·3	39·6
All Industries	...	100·0	100·0	100·0

neg = Less than 100.

## APPENDIX B

### TRADE UNION PAYMENT FOR CHECK-OFF FACILITIES

1. The question of payment for check-off facilities appears not to be a major issue in the growth of the practice. Presumably, the deduction of trade union dues does involve employers in some cost. How large this is depends on his own individual accounting position and practice. In a few cases employers have accepted check-off in principle, but deferred its application until room could be found on their machine accounting documents. In others, they have regarded the cost as so marginal as not to justify recompense, while a third group have placed on it a cost, either calculated or notional, based either on a percentage of the value of dues collected, on a fixed sum per member per year, or on a fixed all-in annual figure to cover all trade union members concerned.

2. The resultant pattern is difficult to quantify. Where a percentage payment is made, 2½ per cent. is common. This was the figure laid down by the Treasury in agreeing to check-off for Staff Associations in July 1965, though it was made subject to review. This seems to suggest that the Treasury and the Staff Side of the National Whitley Council was unable to determine objectively what the actual cost of the service would be. But percentage payments are sometimes higher. We have found none over 5 per cent., though this does not mean that they do not exist. In a few cases the parties agree that a charge should be made, but that this should be given to charity.

3. Variation between payments made are accounted for, not only by real or notional costs, but also by custom and practice, and by the ideas which the parties hold about the principles and purpose of check-off. Once a level of payment has been set in an industry or locality, or in a particular union, this tends to become generalised. Some unions believe that to agree to payment is unwise in that it suggests that the employer is merely providing a service from which he obtains no other reward; others argue that payment eliminates the element of favour, and is sounder from their point of view, since it preserves their sense of independence. In general, it is perhaps true that unions want to negotiate the lowest possible terms, but they appear in most cases not to carry this to extremes. There may have been cases in which unions have, after negotiation with an employer, failed to come to an arrangement on financial grounds; if so, we have not encountered them. Nor do employers usually seem adamant on a particular figure to cover costs of collection. If they agree in principle, financial considerations seem seldom to stand in their way. It may, however, be true that employers who feel that they are getting positive advantages from check-off are less likely to ask for payment than those who are treating it as an act of faith to promote future good relations. If so, the situation about check-off payment is in general so complex that the point could not easily be demonstrated.

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**JACK STIEBER**
2. Compulsory Arbitration in Britain : The Work of the Industrial Disputes Tribunal  
by  
**W. E. J. McCARTHY**
3. Check-off Agreements in Britain : A Study of their Growth and Functions  
by  
**A. I. MARSH and J. W. STAPLES**

*LONDON*

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## **FOREWORD**

These three papers which deal with different aspects of collective bargaining in the United States and Britain were specially prepared for the Royal Commission. It is hoped that they will be found interesting and useful by many people concerned with industrial relations and with the problems which the Royal Commission is examining.

The views expressed in the papers are of course those of the authors named and do not necessarily represent or foreshadow those of the Royal Commission.

*Royal Commission on Trade Unions and Employers' Associations*

*Lacon House*

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## CONTENTS

		<i>Paragraphs</i>	<i>Page</i>
<b>FOREWORD</b>	...	...	iii
<b>PREFACE</b>	...	...	vii
 <b>GRIEVANCE ARBITRATION IN THE UNITED STATES</b>			
<i>Summary by W. E. J. McCarthy</i>		...	1-9
A.	Introduction	...	10-13
B.	Evolution of Arbitration	...	14-22
C.	Extent of Arbitration	...	23-28
D.	Scope of Arbitration	...	29-35
E.	The Arbitration Tribunal	...	36-44
F.	Varieties of Arbitration	...	45-61
G.	Who are the Arbitrators?	...	62-65
H.	Arbitration and the Courts	...	66-74
I.	Arbitration and Strikes	...	75-80
J.	Unauthorised Strikes	...	81-98
K.	Conclusion	...	99-101
 <b>COMPULSORY ARBITRATION IN BRITAIN</b>			
A.	Introduction and Summary	...	1-5
B.	History	...	6-12
C.	Unions and Industries Using the IDT	...	13-23
D.	Policy and Patterns	...	24-27
E.	Resubmitted Claims and Strikes Against Awards	...	28-33
F.	Arbitration at the Request of One Party: The Issues Involved	...	34-46
 <b>CHECK-OFF AGREEMENTS IN BRITAIN</b>			
<i>Summary by W. E. J. McCarthy</i>		...	1-6
A.	Introduction	...	7-10
B.	The Development of the Check-off	...	11-12
C.	The Check-off Position in Early 1966	...	13-20
D.	Changing Attitudes Towards the Check-off	...	21-36
E.	The Closed Shop and the Political Levy	...	37-45
F.	An Overall View on the Check-off	...	46-51
Appendix A	...	...	60
Appendix B	...	...	64



## PREFACE

During the last two years the Royal Commission has authorised a considerable programme of research and has adopted the practice of publishing some of the results in the form of Research Papers.<sup>1</sup> This paper is the eighth of the present series.

For the most part research has been carried out in one of two ways.  
(1) By members of the Commission's own staff, often with the help and co-operation of the Ministry of Labour or the Government Social Survey.  
(2) By academics with special knowledge of a particular field of study, who have agreed to work for the Commission. This paper contains examples of both types of study.

It is unlike earlier published papers in one respect in that it has no single theme or subject. Instead it contains the results of three different studies, linked together mainly by the fact that they all concern recent developments or proposals in the field of collective bargaining.

The first was specially written for the Commission by Professor Stieber of Michigan State University. He has produced an extremely useful account of an important aspect of the American system of "plant" or "company" bargaining, as a result of which both sides agree that disputes arising out of the meaning or application of existing collective agreements may be settled by reference to mutually binding arbitration. Professor Stieber shows that the system, as practised in the United States, has many advantages. It helps to reduce unconstitutional strikes, even if it does not eliminate them, and provides an effective way of dealing with cases of alleged victimisation or unfair dismissal. Contrary to what is often assumed, it has not resulted in the parties leaving all their difficult decisions to the arbitrator and has actually stimulated the growth of voluntary settlements and discouraged extreme and irresponsible behaviour on both sides. (It is also worth noting that many of the factors which Professor Stieber says are necessary to the effective operation of the system—e.g. the reduction of competition between unions, the growth of fixed period agreements, more formal bargaining arrangements and the "integration" of shop stewards into union structure—are now being advocated in this country on their own merits.)

One conclusion which may be said to arise from Professor Stieber's paper is that the American system of grievance arbitration can no longer be dismissed as something which obviously would not work in Britain. On the contrary it is possible to suggest that it may be found to be a natural corollary of certain developments now taking place within our system of industrial relations. It certainly seems to be of special relevance to contemporary discussions concerning the desirability of extending "plant" or "company" bargaining within a framework of formal and fixed term agreements, and it is being increasingly suggested that effective productivity agreements can only be negotiated and enforced if bargaining of this kind becomes normal practice in Britain.

<sup>1</sup> For a complete list of published papers to date see the end of this volume.

The second paper, for which I am responsible, is also a topical one in that it deals with the case for and against the restoration of some form of compulsory arbitration. The TUC, in their evidence to the Commission, argued strongly in favour of such a development, and so did many unions. Employers in general, and the CBI in particular, have taken a rather different view, and the Minister of Labour has stated that a decision on the question should await the report of the Royal Commission. The original object of the paper was to provide the Commissioners with such evidence as was available about the effect of compulsory arbitration in Britain, through an analysis of the work of the Industrial Disputes Tribunal during the period 1951-59.

As with the earlier study it is discovered that certain commonly held views about the effects of the practice cannot easily be sustained. It is shown, for example, that the Industrial Disputes Tribunal did not award workers higher wage increases than other methods of dispute settlement—e.g. voluntary collective bargaining. It also indicates that there is little evidence for the common assertion that trade unions or their members ignored the decisions of the Industrial Disputes Tribunal when they were not in their favour. Nevertheless, the study suggests that there are problems involved in a restoration of compulsory arbitration in Britain, not least in the relationship between arbitration awards and the requirements of incomes policy.

The last study which was written for the Commission by A. I. Marsh and J. W. Staples also concerns a contemporary problem, the advisability and consequences of the growth of check-off agreements—i.e. arrangements whereby management undertakes to deduct union dues from the workers' pay.

Traditionally British unions have been against such practices, stressing their desire to maintain regular contact with their members and the need to preserve their independence *vis-à-vis* management. But Marsh and Staples show that during the last few years there has been a remarkable change in union attitudes in this respect, together with a greater readiness on the part of management to grant such facilities. The result has been that the check-off now covers about one union member in five, and there is evidence that its area is increasing rapidly. Marsh and Staples discuss the issues involved in this development at some length. Once again they show that, although there are problems, they are not always those that are commonly supposed.

*W. E. J. McCarthy,  
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# I. THE FUNCTIONS AND ORGANISATION OF EMPLOYERS' ASSOCIATIONS IN SELECTED INDUSTRIES

by V. G. MUNNS

## INTRODUCTION

1. This Survey has been carried out to provide the Commission with factual information on the operations of employers' organisations and the way they are organised to perform their functions.

2. Because of their relevance to the work of the Commission, the industrial relations activities of employers' organisations have been given special attention and an attempt has been made to find the answers to six specific questions which are of topical interest:

- (a) Do employers' organisations all do the same things, and what are the reasons for variation in the scope of their activities?
- (b) To what extent do they regulate wages and conditions of employment, what is the nature of their control over the actions of their members, and what are the implications for the implementation of a national incomes policy?
- (c) What part do they play in fostering efficiency in the use of manpower, and in the removal of restrictive labour practices?
- (d) In what way do their activities help to prevent strikes?
- (e) How important are their functions outside the industrial relations field?
- (f) Are any changes in structure and organisation generally desirable?

3. In order to achieve this object it was decided to study a limited number of organisations in some detail, so that some of the reasons for the development of particular activities and attitudes could be examined. At the same time the Commission undertook a more general survey with the assistance of the Government Social Survey and the results of this investigation are included in the Research Paper which follows, written by the Commission's Research Director.

4. The employers' associations which have co-operated in providing information for this survey were selected to give a cross-section of large and small organisations, centrally organised national bodies and local organisations affiliated to a national federation. Trade associations not concerned with the industrial relations affairs of their members have been excluded, but some of those covering both trade and industrial relations matters are examined as well as associations concerned only with the latter.

5. Because of the small size of the sample, each organisation was selected with some care so that different types of organisation would be represented, both at national and local level.

6. The inclusion of the *Engineering Employers' Federation* was inevitable because of its size and the range of industrial activity it covers. From its 39 affiliated local associations two were chosen which would reflect differences in size and outlook.

7. The choice of the *National Federation of Building Trades Employers* was dictated by its structure since it comprises an unusually large number of local associations organised in Regions, and a very wide range of size of employer; and also because it has traditionally set out to regulate wages and conditions of employment in the industry. Of the Regions, London was included as an example which is centrally organised in a compact area and North Western which has a variety of local associations in a more scattered area.

8. As a contrast to these national federations of local associations it was decided to include a centrally organised national association, the *Federation of Civil Engineering Contractors*, which has affinities with the building industry.

9. The main reason for including the *National Federated Electrical Association* was that it operates a tight control of wage rates. It is also a centrally organised national association covering a well defined section of industry with a large proportion of small employers.

10. The *Shipbuilding Employers' Federation* was selected because of the difficult industrial relations problems in the industry, and also because it organises a relatively small and tightly-knit industry which nevertheless has strong local loyalties. Two important shipbuilding areas, the Clyde and the Tyne, provide examples of the differences and similarities between the 16 local associations in the Federation.

11. The *British Federation of Master Printers* also faces difficult industrial relations problems, but is mainly of interest because it organises only part of the printing industry, newspaper printing being separately organised. It also has structural differences from other organisations included, particularly in its reliance on regional organisations (known as Alliances) and its development of sectional bodies for different industrial activities within its sphere. Of the 13 Regional Alliances two were chosen:—London, with a large membership in a concentrated area, and South Western with a much smaller membership over a scattered area.

12. To complete the picture it was also necessary to include examples of other employers' organisations whose concern with industrial relations matters was likely to be less important than the furtherance of trade and commercial interests. The two examples selected differ from each other in important respects. The first is a group of five national associations in related industries so are linked by common membership of the *Multiple Shops Federation*. The second is a group of seven smaller associations in miscellaneous industries. One common feature is that they do not employ permanent staff and all use the secretarial services provided by the same firm of chartered accountants.

13. Information was obtained for the survey by a series of interviews with senior officials of the selected associations, except in the case where secretarial services are provided by a firm of chartered accountants, who preferred to

provide written answers to questions. The written and oral evidence submitted to the Commission by these associations and by individual employers has also been drawn upon and reference has been made to the evidence of the Confederation of British Industry.

14. The greater part of this report is factual, but where views and opinions are expressed I have tried to record faithfully those of the people I interviewed. The marshalling of the facts and the conclusions drawn from them, are, however, based on the judgement of the writer.

## SUMMARY

### CHAPTER I—MEMBERSHIP AND INDUSTRIAL COVERAGE OF ORGANISATIONS INCLUDED IN THE SURVEY

15. Thirty-three organisations were selected for inclusion in the survey, covering 6 main industrial activities, one section of retail distribution, and 7 smaller associations in other industries.

16. In 4 of the industries the organisations consist of local associations affiliated to national federations; 2 organisations are national associations with regional branches; and the others are generally single organisations with a national coverage. All employ permanent staff except the 7 smaller associations in miscellaneous industries who use the services of the same firm of chartered accountants.

17. All but 3 of the organisations are trade associations as well as dealing with industrial relations matters. Two of these are closely linked with trade associations and have an identical membership. Only one is a completely separate industrial relations organisation.

18. The organisations included provide a cross-section of the great variety of employers' associations in the size of their membership, the number of employees of member firms, and the range of industrial activity. The largest organisation has a membership of over 4,500 firms employing about 2 million workers; the smallest has only a handful of members with a total of less than 250 employees. The range of industrial activity covered by the Engineering Employers' Federation is very wide, and the National Federation of Building Trades Employers' membership reflects the diversity of specialist and general contractors in the industry; while the other associations generally deal with groups of employers with more closely defined interests. Membership coverage is highest in this latter group and is almost 100 per cent in those cases where the industrial coverage is most sharply defined. On the other hand, the largest organisations have the lowest percentage of potential membership though none has less than 60 per cent.

19. Most of the firms who do not belong to associations are small employers, but in the engineering industry a number of large employers remain non-federated. The main reasons for non-membership are probably the desire to retain independence of action and self-sufficiency in larger firms, and lack of need for services among the smallest employers. It is noted that non-members of the Engineering Employers' Federation can obtain some of the advantages of association with other employers in the industry by membership of a trade association, while in the other industries surveyed exclusion from the employers' association automatically involves exclusion from association with other employers for trade and commercial purposes.

20. Eligibility for membership is commonly based on three main factors: participation in the appropriate industry, agreement to abide by policy decisions of the association, and satisfaction of the other members that the applicant has a "reputable" business. Different associations however, attach

greater or less importance to these requirements. Participation in the appropriate industry is interpreted narrowly in the shipbuilding and civil engineering associations, while in engineering and building the industrial coverage is much wider. The limits on independence of action implied by agreement to stick by common policies depend to a large extent on the attitudes of the particular association towards the necessity for joint action. The requirement that members should be reputable firms is not generally formulated in a code of conduct, but is determined by the other members in a similar way to the vetting of applications to join a club. Although increases in membership are generally welcomed, 100 per cent coverage of potential membership is not actively sought, and such recruitment as is carried out is done in an informal unorganised way.

## CHAPTER II—GENERAL OBJECTS AND SCALE OF ACTIVITIES

21. The aim and object of all organisations is to serve the interests of their members. This involves the protection of the employer from the demands of organised labour, and also the protection of his interests in relation to Government, public authorities, professional bodies, suppliers of materials and customers. Local associations tend to stress the importance of protection from trade unions, but many of the national organisations regard the representation of members' interests to Government and other bodies as of equal or greater importance. The protection of interests includes not only a defensive attitude, but also the provision of management assistance. Although some of the associations engage less in this activity than the others, it is an important aspect of the functions of employers' associations and is becoming increasingly so.

22. The range of services offered by employers' associations is very wide, but the full range is not provided uniformly by all associations. Each association provides the particular services for which there is a demand from its own members and this demand is affected by the circumstances of the industry or of a particular locality. What may be termed the "mood" or attitude of the association also affects the kind of services provided. The attitude results from the prevailing view of the membership as to the role which the association should play in the industry, and is difficult to define precisely. However, the main distinction is between the conception of the employers' organisation as a common forum where views and experiences may be shared, and the conception of the organisation as a means of attaining joint action to solve some of the common problems of the industry. Both attitudes are present to some degree in most of the organisations, but in the Multiple Shops Federation the common forum attitude is predominant while in the Federation of Civil Engineering Contractors the joint action attitude is clearly apparent in many of its activities.

23. The financial resources of associations vary widely according to the size of subscription, the number and type of members etc., but this variation is not a prime cause of the differences in the scale of activities of different associations. Variation in income provides an indication of the scale of activities desired by members of a particular organisation rather than placing an arbitrary

limit on the development of activities. Running costs are however proportionately greater for those associations with a substantial membership of small firms, who are usually the most reluctant to accept increases in subscription rates.

### CHAPTER III—INDUSTRIAL RELATIONS ACTIVITIES

24. The industrial relations activities of employers' organisations fall into two categories:

- (1) The representation of employers' interests in dealing with trade unions, including the negotiation of wages and conditions of employment, and the handling of disputes between employers and workers.
- (2) Assistance to members in dealing with their own management/labour problems.

#### *Negotiation of Wages and Conditions of Employment*

25. Activities concerned with the negotiation of wages and conditions of employment are analysed under five headings:

- (a) The negotiation of national wage rates.
- (b) The negotiation of other conditions of employment.
- (c) The negotiation of wages and conditions for staff workers.
- (d) The influence of associations on local wage negotiations.
- (e) Their involvement in productivity bargaining.

26. All associations negotiate a national wage agreement. However, only one uses these negotiations as a means of establishing a pay structure for the industry as a whole. The other associations negotiate basic rates which may be supplemented by an additional payment in one way or another. The National Federated Electrical Association regulates the wage structure for the industry and does not permit variations from the wage rates agreed nationally.<sup>1</sup> The maintenance of this policy seems to depend less on the imposition of discipline on the membership than on the fact that the policy serves the self-interest of the members, because of the circumstances affecting the industry. Nevertheless, the association experiences some difficulties in operating the policy, particularly because employers belonging to other associations are free to pay higher wages.

27. All of the other associations negotiate national wage agreements which effectively establish minimum payments but allow individual employers the freedom to make higher payments in one form or another. In the building, civil engineering, shipbuilding and engineering industries the national agreements specify the hourly time rates to be paid for particular classes of worker. These rates may not be varied by member firms, but they are free to make supplementary payments of various kinds which will increase total earnings. In the printing, multiple retailing and the smaller associations in miscellaneous industries the national rates are minima which members may exceed if they consider it desirable to do so. The collective negotiations in

<sup>1</sup> This paper was written before the establishment of the Joint Industry Board for the Electrical Contracting Industry.

all of these industries produce rates of pay which are the lowest which employers and trade unions will accept as reasonable. The employers' interest in establishing such minima is that the agreement prevents unfair competition between employers by the undercutting of labour costs below a reasonable level. Although local wage negotiations are in most cases more important than the national negotiations in determining level of earnings, claims for increases on the national rate generally affect all workers in the industry, and not simply those workers receiving the basic rate only. There is, however, a movement in the engineering and shipbuilding industries towards the idea that the national rate should represent a minimum level of earnings. If this idea is continued and accepted national negotiations in these industries will tend to follow earnings movements in the constituent firms rather than themselves influence such movements.

28. National negotiations also commonly cover negotiations on conditions of work other than wages, including the length of the working week, the amount of paid holiday and the payment of extra allowances. In contrast to the normal attitude towards the negotiation of wages, the national agreements on conditions of work are regarded as standard and are not subject to improvement at the local level. This may be because the unilateral granting of improved conditions of work may bring an uncompensated addition to labour costs and would thus affect the firm's competitive position; whereas employers can feel that the granting of a local wage claim might bring a return in increased production, even though this hope is not always realised.

29. Except in the engineering and shipbuilding industries associations do not generally negotiate wage rates and conditions for supervisors or technical, commercial or clerical staff. It seems that generally employers prefer to deal with these grades of worker either on an individual basis or on a company basis.

30. Except in the electrical contracting industry local wage negotiations are carried out in the main by individual employers acting independently, but subject to varying degrees of influence from their employers' association. The strength of the influence exerted by associations varies considerably, and is only as strong as the members of a particular association at a particular time want it to be.

31. In the engineering, building and civil engineering industries influence is exerted to prevent members from increasing hourly rates above the nationally agreed rates, while payments made in the form of a bonus are free from control. This influence is not exerted uniformly and is in practice more often resorted to by associations who have in membership a substantial number of small firms, while those where larger firms are predominant allow their members more freedom.

32. The printing industry provides an example of an employers' organisation with a membership of predominantly small and medium sized firms which does not attempt to control the payment of rates higher than the national basic rate. The other associations in multiple retailing and miscellaneous industries also do not attempt to control the payment of rates higher than those agreed nationally.

33. The enforcement of standard basic rates is therefore a control over methods of payment rather than a control of actual levels of remuneration, and the associations' activities do not have the effect of eliminating wage competition, except the prevention of undercutting. There is no indication that the employers' organisations studied seek more power to control earnings levels.

34. However, some associations attempt to exert an influence short of control, by encouraging their members to get value for money in their independent negotiations, and to try to persuade them not to arrive at settlements which are likely to embarrass other employers. Encouragement takes the form of "spreading the gospel" about the value of work study or of incentive schemes, and the provision of advice and assistance in the introduction of such schemes. A restraining influence on levels of earnings which would be an embarrassment to other employers is exerted by circulating information about earnings, and by giving advice to members about the settlement of particular claims.

35. The extent of association influence in local negotiations is not uniform. Even those who exert most influence cannot do more than reduce the wide disparities in earnings levels among their member firms.

36. The involvement of employers' organisations in productivity bargaining follows a similar pattern to their role in wage negotiations generally. The degree to which restrictive practices are common to members also has a bearing. Associations can be classified in three ways namely (1) those who bargain on behalf of their members, (2) those who leave productivity bargaining to be carried out by individual members subject to the limits set by the national agreement and (3) those who are not concerned at all with productivity bargaining.

37. Industry-wide productivity bargaining has been undertaken by the electrical contractors because all wage rates are settled centrally. In the shipbuilding and printing industries the spur to central negotiations has been that restrictive practices present common problems to member firms, particularly in relation to craft structure.

38. Productivity bargaining is primarily a matter for individual employers in the engineering, building and civil engineering industries. The employers' freedom is however qualified by the necessity to adhere to the national agreement particularly in relation to the payment of basic time rates.

39. In building and civil engineering, some company bargains have been negotiated without altering the terms of the national agreement. This is primarily because the bargaining is concerned mainly with the negotiation of incentive bonuses to supplement the basic time rate. Although the employer undertakes this kind of bargaining independently of his association, it has a part to play in facilitating the interchange of information between members.

40. In engineering, negotiations tend to be carried out on a small scale for specific groups of workers rather than for plants or companies as a whole and are concerned primarily with the operation of payment by result schemes. Associations fill a supporting role by providing facilities for the training of staff in work study, and by assisting in the negotiation of difficult cases taken through the procedure.

41. Although associations in these industries play a minor role in actual productivity bargaining they are more active in dealings with productivity matters as a manpower question rather than as a wages question.

42. In multiple retailing and in the other industries organised by the smaller associations, productivity bargaining is not undertaken to a significant extent either by the associations or by individual employers.

#### *Dispute Handling<sup>1</sup>*

43. All employers' organisations assist in the settlement of disputes between employers and workpeople, including the handling of negotiations with trade unions and the provision of advice to members. The associations dealing with the largest number of cases are those who participate most actively in the domestic wage negotiations of member firms.

44. The cases handled by associations fall into two categories, namely those disputes which concern the interpretation of a national agreement and those which arise out of domestic negotiations in the individual firm. Interpretation disputes are few in number, and agreement between the employers' association and the trade union decides the issue. Domestic disputes tend to be mainly on wage matters, but also include demarcation and manning disputes. This type of case is much more numerous in the industries with a large number of disputes. The function of the association is to seek the reconciliation of opposing views bearing in mind the interests of the employers generally. Domestic disputes account for the greater part of the increase in disputes handled by associations in recent years, particularly in engineering and shipbuilding. Here the handling of domestic disputes has become a form of local wage negotiation.

45. All the associations studied operate a formal procedure for dealing with disputes and many deal with a proportion of cases informally. In the printing industry the number of cases dealt with informally greatly exceeds the number dealt with under procedure, whereas in engineering the procedure remains the normal method of negotiation supplemented by occasional use of informal methods. The use of informal methods is not regarded by association officials as an indication that the procedure requires revision, since the procedure is simply a means of reaching agreement, and not the only way. Although some cases arise which are difficult to settle within the industry there is a general reluctance to contemplate the use of machinery outside the industry, except for demarcation and manning questions.

46. Action by associations to prevent the occurrence of strikes and other industrial action includes the conclusion of agreements with trade unions that the procedure for settlement of disputes should be used before such action is taken; efforts to obtain the implementation of these agreements; and in the building industry the operation of a special procedure for the settlement of disputes involving a strike threat. Some associations also operate Indemnity Funds to relieve the effects of a strike on their individual members. However, the most effective contribution of associations towards the prevention of strikes must be made through indirect methods aimed at improving the state of industrial relations in the industry.

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<sup>1</sup> See footnote on page 45.

### *Contacts with Trade Union Officials*

47. A close working relationship has been built up with trade union officials both at national and local level. The number of unions dealt with varies between 1 and 35, and at local level the number of actual officials dealt with can be as high as 50.

48. In some industries, particularly engineering and shipbuilding, employers are discouraged from dealing direct with full-time trade union officials, and the association acts as the normal contact. In other associations, for example, building and civil engineering, direct contact between employers and full-time officials is more common, although it is restricted of course to matters outside national negotiations.

### *Advice and Assistance to Management*

49. Complementary to their activities in negotiating agreements and settling disputes, associations offer assistance to their members in solving their individual management problems. The assistance generally offered consists of *ad hoc* advice given in answer to telephone enquiries, but some associations sponsor or provide management education courses, with the general aim of fostering the development of good labour relations in member firms. This form of assistance is given in different ways by both small and large employers' organisations. Activities have grown in recent years and further growth seems likely.

50. Specific advice on individual problems other than by telephone enquiries and correspondence is provided on a smaller scale by the arranging of visits to employers. At these visits general industrial relations difficulties are discussed rather than individual disputes, and there are some indications that these activities may develop into a specialised consultancy service on industrial relations on similar lines to those already offered in the trade field. Further development is however expected to be localised.

## CHAPTER IV—MAIN ACTIVITIES—OTHER THAN INDUSTRIAL RELATIONS

51. The main activities of employers' organisations other than assistance in industrial relations matters, include representation to Government, the provision of information services, the collection of information and statistics, assistance in manpower matters, assistance in trade and commercial matters, and the organisation of social activities.

52. The representation of employers' interests to Government is an important and growing function in all of the national organisations. It embraces the seeking of amendments to existing or proposed legislation, and also participation in national economic planning. The performance of this function affects the relationship with members and strengthens an organisation's position not only as a spokesman but as an adviser and guide to the membership. The function also includes the representation of interests to other bodies including professional bodies and suppliers of materials and also the expression of the industry's point of view to the general public.

53. The provision of information to members is an important function of both national and local associations. Various methods are used to disseminate information, and some associations cover a greater range of subjects than others. Some of the smaller local associations rely for the dissemination of information on meetings of members and on answering individual enquiries. Larger organisations supplement these methods by the publication of regular bulletins and occasional papers dealing with such matters as apprenticeship or technical advice. Circulars give information about legislation, the progress of wage negotiations, and reports on the activities of the association. Some associations also act as a clearing house of information between members, for example, by the circulation of detailed information about earnings levels in member firms. In spite of the variation in method and subject matter, officials of all associations are equally concerned to maintain efficient lines of communication with their members and to ensure that their members' needs are satisfied. The importance of this function seems likely to be maintained.

54. The collection of statistics and information about the industry is carried out in varying degrees by all associations. The degree of activity is determined by the need for information for policy matters, for the satisfaction of requests by members for information, and for use in wage negotiations, and is qualified by the readiness of members to supply information. Information is generally collected on an *ad hoc* basis rather than by regular enquiries. Much is done by telephone at short notice, but some enquiries are much more ambitious and wide ranging and require careful preparation and planning. There are some indications of growth in this activity but most associations seem likely to rely most heavily on the availability of statistics about their industry from sources other than their own membership, particularly Government sources.

55. Assistance in manpower matters is given by all associations to a greater or lesser extent. Subjects covered include the efficient use of manpower, labour supply and demand, recruitment and selection, education and training, and safety, health and welfare. The services offered by associations do not form part of an overall interest in manpower matters, and each association has developed those aspects of manpower services for which a demand has arisen at some time from its members.

56. Problems relating to the efficient utilisation of manpower have been dealt with by associations in the shipbuilding, printing, building, civil engineering and electrical contracting industries. Except in the civil engineering industry, the problems dealt with have concerned craft structure and action has included the examination of craft requirements and the preparation of proposals for a new structure for discussion with the trade unions. In the civil engineering industry consideration has been given to the possibility of creating a more stable labour force. Changes in manpower structure in the engineering industry have largely been undertaken by individual firms according to their own needs, and the formulation of an overall policy for the industry is not thought to be practicable in view of the diversity of operations among the membership. Associations therefore provide supporting services according to demand, such as the provision of facilities for training staff in work study.

57. The Federation of Civil Engineering Contractors is actively concerned with the problems of labour supply and demand, particularly in relation to the programming of civil engineering work. There is however no general tendency to provide assistance to members in this matter. Only the associations in the printing industry offer a service to their members in connection with the recruitment and selection of employees. The service offered is restricted to the recruitment and selection of apprentices, and involves the establishment of minimum standards of entry, the examining of the applicants and the selection of those suitable for training in the industry. The concern of other associations in this field is the operation of "no poaching agreements" designed to prevent the attraction of employees away from member firms by other members.

58. All of the associations are concerned to some extent with questions of training for the industry, primarily the training of apprentices but covering also in some cases the training of supervisors, operatives and managers. Activities cover such matters as the establishment of common standards of training, assistance in the establishment of group training schemes for apprentices, and the sponsoring or encouragement of specific training courses or associated educational courses and block release schemes for apprentices. There is some evidence that the scale of activities in this field is growing in some associations.

59. Advice on accident prevention and the establishment of safe working practices is provided in varying degrees by associations in the building, civil engineering, printing, engineering, and shipbuilding industries. Activities in this field are increasing. Associations in the construction industry administer holiday payments and sickness benefits schemes.

60. The activities of associations in connection with manpower matters frequently involve discussion and negotiations with trade unions and sometimes lead to formal agreements.

61. The employers' associations surveyed other than those in shipbuilding and engineering, are also trade associations and offer assistance to their members in trade and commercial matters. The services provided in this category tend to be centralised at the national level, and generally consume at least as much time and energy as services provided in the manpower and industrial relations field. The services offered include advice and assistance in the negotiation of terms of contract, the provision of legal advice, the stimulation or sponsoring of research into technical processes, the provision of a technical advisory service, advice on costing and estimating, and the provision of miscellaneous benefits including insurance at favourable premiums. These services tend to be used most by the smaller and medium sized employers.

62. All associations include in their function the arrangement of social activities. This is generally a minor activity but is thought to foster a sense of identity among members.

<sup>1</sup> Since the material for this study was collected the Shipbuilding Employers' Federation (ie employers' association) has combined with two trade associations, the Shipbuilding Conference and the Ship Repairers' Central Council to form the Shipbuilders' and Repairers' National Association.

## CHAPTER V—INTERNAL ADMINISTRATION

63. Employers' organisations are governed by elected representatives from the ranks of the membership. The representatives include three or four office bearers who are assisted by an executive committee and in larger organisations specialist committees concerned with particular functions of the organisation. National policy is generally decided by a general council composed of representatives of regional and local bodies in proportion to membership strength. Committees normally are advisory but may be delegated to act within a general mandate.

64. The structure of management rests on the principle that control is ultimately vested in the membership. This means that the availability of good representatives and the maintenance of good communications are important. Because of differences in size and interest among member firms, typical representatives are not common. Devices such as co-option and the formation of sectional committees are therefore employed in order to give expression to sectional interests based on size or type of manufacture. Elected representatives other than office bearers tend to remain in office for fairly long periods, and some difficulties are experienced in persuading members to accept office. Nevertheless a degree of continuity of management is consciously sought.

65. The maintenance of communications between the members and their representatives is frequently a continuous process through which representatives are briefed at meetings of the members who elected them. The Engineering Employers' Federation however maintains communications by consulting local associations on particular aspects of policy. On most policy matters a general consensus of opinion is sought rather than a vote on alternatives. However, in the engineering associations voting by the membership is resorted to when national wage claims are being considered.

66. Local associations affiliated to national federations are autonomous, whereas the branches of national associations are not. This does not seem to have a significant effect on the formulation of national policy. Autonomy does however encourage local initiatives to deal with local problems.

67. Permanent staff are employed by all of the organisations in the survey except the smaller associations in miscellaneous industries, which use the services of a firm of chartered accountants. The use of chartered accountants or firms of solicitors is still quite common among small associations, but there is some evidence of a movement towards the direct employment of more full-time staff.

68. The duties of staff embrace not only the provision of services to members, but also advice on policy matters. This is true of small organisations as well as large. Although large national associations have built up quite large staffs organised in departments, specialisation is not a strong feature, and officials are expected to be adaptable enough to serve the organisation according to the needs of the moment. Senior staff provide the organisation with continuity of experience and informed advice. They fulfil a similar role to that of the senior civil servant.

69. There is no obvious source of recruitment of association staff except by movement between associations. Movement between local and national

organisations in the same industry is encouraged as a means of broadening experience, and a common staff structure for particular industries is developing. The existing staff of associations have come from a wide variety of backgrounds, including production management, personnel and labour relations administration, local authority administration and the civil service. Specialised experience or qualifications are not normally sought except for specialised work in accountancy, law or statistics. The essential qualification of an applicant for employment is that he should be the right man for the job in terms of personal qualities and mental, physical and intellectual capacity.

70. The training of newly recruited staff contains a large element of learning by doing but there is some growth of more formal direction of training. This may lead to concerted action through the CBI.

#### CHAPTER VI—CONCLUSIONS

71. In this chapter, answers are offered to the questions posed in the Introduction concerning (a) the variation in scope of activity (b) the regulation of wages (c) the efficient use of manpower (d) the prevention of strikes (e) the trends in other activities and (f) the desirability of changes in organisation.

##### *Variation in Extent of Activities*

72. The diversity of the activities of different organisations derives from the diversity of the industries they serve. It does not reflect differences in degrees of merit. It would be wrong to expect all organisations to conform to a uniform pattern, since they must reflect the particular interests of their own members.

##### *Regulation of Wages and Conditions of Work*

73. The aim of National Incomes Policy is compatible with the long-term interests of employers in establishing a relationship between wage rates and production. However, employers' organisations do not generally set out to control wage movements in their industry by preventing their members from paying more than nationally agreed rates. The only exception is the National Federation of Electrical Association. The other associations exert only an indirect influence on levels of "take-home pay".

74. The lack of control stems from the difficulties involved in establishing and enforcing maximum rates and also from the unwillingness of members to accept control of this sort by their organisation.

75. The control of maximum rates raises quite different problems from the control of minimum rates. Minimum rates need to be controlled in the employers' own interest to prevent undercutting, while paying above the rate cannot be regarded as unfair competition. What an employer can pay for a particular job depends on his own efficiency and the circumstances of his business. The establishment and control of maximum rates would therefore involve intervention in the affairs of members to a much greater extent than the control of minimum. Effective control would also involve the control over payment of other financial benefits than the rate for the job and some oversight of methods of working.

76. The control exercised by the National Federated Electrical Association does involve more intervention in matters which other associations regard as internal affairs of members.

77. However, control of maxima is exercised in the determination and enforcement of conditions of employment other than wages. The control of standard conditions does not raise the same difficulties as the control of earnings, and employers generally seem to want to deal with these matters collectively.

78. Employers' organisations have no power to control their members. Power to do so can be given by the membership as a whole but this has only been done in the case of the National Federated Electrical Association. Sanctions against an offending member are not effective and in order to make them so it would be necessary to discard the voluntary principle, which would be a fundamental and unwelcome change.

79. The strength of an employers' organisation is shown in its dealings with outsiders rather than in its relations with its own membership. An organisation is strong when the interests of the membership coincide and weak when they diverge, and it will more easily express a common view than impose a firm line on its own membership. Homogeneity of interests contributes to strength more than size of membership.

80. Employers' organisations do however try to exert a positive influence on employers to relate wage levels to production. They stimulate their members to take action in their own companies, and provide assistance and advice on methods of doing so. The influence has a long term effect, and can only reduce rather than remove disparities between individual firms.

81. The extent of influence over members could be developed, providing the members of each organisation co-operated. Such a development would not change the character of employers' organisations and they would remain institutions for the provision of advice and guidance rather than for the enforcement of a policy. A major change of members' attitudes would be required before associations would act as the policemen for a national incomes policy. Employers' organisations are not failing in their duty because they do not regulate "take-home pay". Their duty is to their members, and in most industries present circumstances favour the development of more effective guidance and do not favour the extension of control. The exceptional position of the electrical contractors arises from the particular circumstances of the industry and does not furnish a model for others to follow.

#### *The Efficient Use of Manpower*

82. Action to improve efficiency in the use of manpower has largely been concerned with the negotiation of the removal of restrictive practices imposed by workers. Such negotiation is not necessarily linked with wage negotiations. The general attitude to plant productivity bargaining is cautious, and little assistance is offered in actual negotiations.

83. Employers' organisations can however provide other assistance to their members. They provide a convenient forum for the study of common problems and act as an information centre to give general and specific guidance, both on restrictive practices imposed by workers and also on the improvement of management practices.

84. There seems to be more scope for the development of advisory services to members than in the negotiation of productivity agreements on behalf of members.

#### *Influence on the Prevention of Strikes*

85. Employers' organisations claim to reduce the effect of strike action by the provision of machinery for the settlement of disputes, the negotiation of agreements limiting the use of strike action, and efforts to implement these agreements. This claim seems to be justified.

86. Moreover, they are also trying to improve the failings of their own members in management techniques and the handling of industrial relations problems. The importance of this consultancy and advisory function towards its own membership is increasing.

#### *Trends in Other Activities*

87. In activities other than industrial relations, the evidence points towards growth of services. However, some associations are likely to develop their services more than others in response to particular conditions in their industry or locality. Some associations may not change at all.

88. Economic planning is stimulating the activity of employers' organisations in the manpower field, particularly in relation to recruitment and training and the forward planning of manpower requirements. Advisory services are developing particularly in training and safety. Reorganisation of craft structure also concerns employers' organisations in particular industries.

89. The representation of employers' interests to government and other bodies is already important and is becoming of increasing value to members. This function is something which only an employers' organisation can perform. Improvements in information services are planned to improve communications with the membership. Advisory services are likely to expand in particular associations.

90. The coverage of trade interests and industrial relations matters by one organisation has advantages in the prevention of the overlapping of functions. The shipbuilding employers have already decided to unify their organisation, and closer integration between trade and employment organisations in the engineering industry will be practicable if the reorganisation of trade associations recommended by the CBI takes place.

#### *Changes in Organisation*

91. No significant changes in the organisation of employers' associations are anticipated. There is a movement towards greater centralisation in the building industry, and towards a reduction in the number of local associations in both building and engineering. There are advantages in a strong sense of common interest and the growth of sectional bodies within large organisations catering for diverse interests seems to be a desirable development. The number of permanent staff employed is likely to increase, but most staff will continue to be non-specialist. A careers structure for young entrants is likely to develop and training methods may become more systematic.

## CHAPTER I

### MEMBERSHIP AND INDUSTRIAL COVERAGE OF ORGANISATIONS INCLUDED IN THE SURVEY

#### ORGANISATIONS SELECTED

92. The organisations selected for inclusion in the survey are as follows:

Engineering:	The Engineering Employers' Federation. The Coventry and District Engineering Employers' Association. <sup>1</sup> The Border Counties Engineering Employers' Association. <sup>1</sup> The North East Coast Engineering Employers' Association.
Shipbuilding:	'The Shipbuilding Employers' Federation. The Clyde Shipbuilders' Association. <sup>1</sup> The Tyne Shipbuilders' Association. <sup>1</sup> The North East Coast Shiprepairers' Association.
Printing:	The British Federation of Master Printers. The London Master Printers' Association. The South Western Alliance of Master Printers.
Building:	The National Federation of Building Trade Employers. The London Region of the NFBTE (Formerly the London Master Builders' Association). The North-Western Region of the NFBTE. <sup>1</sup> The Bolton and District Association of Building Trade Employers. <sup>1</sup> The Chorley and District Association of Building Trade Employers. <sup>1</sup> The Leigh and District Association of Building Trade Employers. <sup>1</sup> The St. Helens and District Association of Building Trade Employers.
Civil Engineering:	The Federation of Civil Engineering Contractors.
Electrical Contracting:	The National Federated Electrical Association.

<sup>1</sup> These Associations in Engineering and Shipbuilding share a common secretariat and office.

<sup>2</sup> Now combined with the Shipbuilding Conference and the Ship Repairers' Central Council to form the Shipbuilders' and Repairers' National Association.

<sup>3</sup> These Associations in the building industry are served by an Area Secretary at Bolton.

Multiple  
Retailing:

- The Multiple Shops Federation.
- The National Association of Multiple Grocers.
- The Multiple Shoe Retailers' Association.
- The Association of Multiple Retail Meat Traders.
- The Multiple Wine Merchants' Association.
- The Multiple Tailors' Association.

(NOTE: The Multiple Shops Federation provides staff and offices for the five Associations representing different branches of the industry).

Smaller associa- Seven small associations in other industries who have  
tions in other appointed a firm of chartered accountants as their  
industries: secretaries.

### TYPES OF ORGANISATION

93. In the first four of the industries selected the employers' organisations consist of local associations covering geographical areas which are affiliated to national federations. In all of these except shipbuilding there is also some kind of regional grouping, but there are considerable differences in the importance of the regional group and its function in the organisation.

94. In civil engineering and electrical contracting the organisations consist of a single national association which maintains branches throughout the country.

95. The other associations are generally single organisations with a national coverage, although in some cases the industry may tend to be concentrated in one part of the country. The multiple retailers' associations have joined together in a Federation on the basis of similar industrial activity.

96. All of the organisations employ permanent staff except the smaller associations who use the services of the firm of chartered accountants.

### RELATIONSHIP WITH TRADE ASSOCIATIONS

97. All but three of the organisations are trade associations as well as dealing with industrial relations matters. The three exceptions are the engineering, shipbuilding and electrical contracting organisations.

98. The Engineering Employers' Federation covers a wide range of industrial activity whose trade interests are looked after by a large number of separate trade associations with whom there is no organisational link other than through the CBI although informal contacts are maintained. The Shipbuilding Employers' Federation deals with employment matters for both the shipbuilding and ship repairing sections of the industry. Trade matters for the shipbuilders are covered by the Shipbuilding Conference, and for the ship repairers by the Repairers' Central Council.<sup>1</sup> In electrical contracting there are three organisations:— the Electrical Contractors' Association deals with legal questions, contracts and technical matters; the National Electrical Contractors' Trading Association covers trading and

<sup>1</sup> Since the material for this study was collected these three organisations, which have always been closely associated, have combined to form the Shipbuilders' and Repairers' National Association.

retailing; and the National Federated Electrical Association covers employment and industrial relations. In practice these three associations are so closely linked as to be virtually indistinguishable from one another since they share the same office and the same permanent staff, the management structure and office bearers are identical and there is a common membership with the exception of some retailers who are members of NECTA but not of the other two associations.

99. Among the organisations selected, therefore, the only industry in which the employers' organisation can be accurately described as confined to employment and industrial relations matters is the engineering industry.

#### SIZE AND SCOPE OF INDUSTRIAL COVERAGE

100. The organisations included in the survey provide a cross-section of the great variety of employers' associations in the size of their membership, the number of employees of member firms, and the range of industrial activity.

101. *Engineering*: The Engineering Employers' Federation is the largest and at the same time the most diverse. The 39 associations affiliated to the Federation have in total approximately 4,600 members who between them employ about 2 million workers. This is estimated to be in the region of 60 per cent of the potential membership in terms of numbers employed. However, the individual associations include both large and small organisations. The Coventry and District Association is of medium size, having 95 members employing about 90,000 workers, representing 80 per cent of engineering employment in the city of Coventry, where most of the employment is concentrated, and 50 per cent in the rest of the district. The Border Counties Association has 20 members and the North East Coast 250 members. The joint membership of the two associations employ about 80,000 workers representing 90 per cent of engineering employment in the area. While the Federation itself embraces the whole range of manufacturing of metal goods except the building of ships, the local associations visited naturally cover a slightly smaller range, with a strong emphasis on particular branches, such as motor vehicle manufacture in Coventry and marine and general engineering on the Tyne.

102. Some of the employers not in membership of affiliated associations belong to other smaller associations dealing with a specified field, such as the National Light Castings Ironfounders Associations, or the National Federation of Vehicle Trade Employers, who manufacture specialist car bodies. The greater proportion of non-membership, however, consists of firms who are not members of any employers' association in the engineering field including a number of large employers such as Ford, Vauxhall, National Cash Register, IBM and some medium sized employers such as Rubery Owen of Darlaston. Although many of the large non-members are American owned, the Federation does not think that the American connection has much influence on the question of association membership, since other American firms with establishments in Britain are in membership. While each company will have its own reasons for remaining unfederated it is likely that the desire to manage its own affairs independently is a more important factor than disagreements about particular policies or organisational questions. The

possession of the resources to allow it in practice to act without the backing of other employers in the industry is also a strong contributory factor. It should, however, be noted that employers who do not belong to an engineering employers' association may nevertheless maintain close contact with other employers in the same branch of the industry, either through membership of the trade association, e.g. the Society of Motor Manufacturers and Traders, or through direct informal contacts.

103. Another identifiable area of non-membership is in structural engineering where the construction departments of some of the larger contractors, particularly those engaged on the construction of oil refineries and chemical plants, remain non-federated even where other departments of the same companies are members of the engineering, building, or civil engineering association. The Engineering Employers' Federation suggest that these employers regard their problems as different from those of other employers in any of these associations and therefore seek to deal with them independently of any existing association.

104. *Shipbuilding*: The Shipbuilding Employers' Federation covers a much more closely defined field. The 16 Associations affiliated to it have between them only about 160 members employing 73,000 workers. The Associations include shipbuilders and ship repairers, but in all cases membership is confined to employers who have their own yard and does not include specialist contractors. Only two shipbuilding firms remain outside membership together with a small number of ship repairers and it is estimated that the coverage of shipbuilding and ship-repairing employment is 90 per cent of the total. The Clyde Shipbuilders' Association has 20 members, employing 20,000 workers. Until November 1965 the Association represented 100 per cent of the local shipbuilding employment, but since the new company which took over from the liquidated Fairfield Shipbuilding and Engineering Co. has decided not to apply for membership the present proportion is about 90 per cent. On the North East Coast the Tyne Shipbuilders' Association has 8 members employing 9,000 workers and the North East Coast Shiprepairs' Association has 26 members employing about the same number. The membership of both Associations represents virtually 100 per cent of employment in the industry since only one small ship-repairing firm is not in membership.

105. The employers' associations in this industry therefore consist of quite small groups of employers whose industrial activities are in the same well-defined area and whose common interests are obvious. While this area of activity is almost completely covered by the federated associations, the very tightness of its definition inevitably implies the existence of other closely related activities, notably marine engineering, the building of boats and small ships, and specialist work such as thermal insulation. Employers in these fields belong to other appropriate associations including engineering employers' associations, associations affiliated to the Ship and Boat Builders' National Federation, and associations of thermal insulation contractors. Informal contacts including the exchange of information are maintained between these associations and the shipbuilders' associations both at local and national level and the relations with engineering associations are particularly close. Many shipbuilding employers have marine engineering establishments which are in membership of the local engineering association, and in some areas the

existence of separate associations for these two industries has arisen historically from one common association. On the North East Coast the close relationship between the engineering and shipbuilding associations is expressed not only in common membership but also organisationally in the sharing of a common secretariat and offices.

106. *Printing*: The British Federation of Master Printers is made up of 16 member organisations, 13 of which are regional organisations in Great Britain and 3 are Irish associations. The regional organisations are mostly Alliances of local and district associations of which there are about 150. The 4,000 members of the federated associations are in the main general printing contractors, but bookbinding and the printing of books, periodicals and other articles are also activities included. Some specialist activities, notably the printing of newspapers, are separately organised. The number of productive workers employed by member firms is approximately 150,000, representing an estimated 80 per cent of total employment in this part of the industry. The regional organisations vary considerably in size of membership, reflecting the geographical concentration of the industry. The London Master Printers' Association has 650 members who employ 33,000 productive workers representing between 85 per cent and 90 per cent of total employment. The South Western Alliance of Master Printers, comprising 12 local associations, has 300 members who employ 18,000 productive workers, representing an estimated 95 per cent of total employment.

107. The industry has a large number of small employers and 60 per cent of the membership of Federation employ less than 50 workers. It is thought too that the great majority of non-federated firms are in this category, many of them in fact employing less than 5 workers, but there are a few medium sized firms employing between 200 and 500 workers outside membership. Motives for remaining outside include the fact that for some non-members printing is only a side-line, and the number seeking freedom for independent action is not high, possibly because membership does not entail much restriction on freedom of action. (This can, however, fluctuate. In 1959 more than 200 firms left or were expelled because of independent action in accepting the demand for a 40 hour week during the printing strike).

108. Since the Federation does not itself embrace all the specialist applications of printing, although it covers the whole field of general contracting, close relations exist with the separate organisations concerned with other types of printing. There is a formal link with the Newspaper Society, representing provincial newspapers, which is a joint party in negotiations with trade unions and three associations with specialised interests, such as the seal printers, are affiliated to the Federation. Informal contacts are maintained with government employers of printing workers, such as HMSO, and the employers' associations in related fields, e.g. newspaper production, process engraving, advertisement production.

109. *Building*: The National Federation of Building Trades Employers comprising nearly 300 local associations organised into 10 Regional Federations and the Scottish National Federation, covers general and specialist building operations throughout Great Britain. The coverage of specialist contractors is rather complicated. In some areas they tend to belong to the local associations catering also for general contractors, while in others they

tend to belong to specialist associations of plasterers, painters, plumbers etc. Some are in joint membership of both. Of the specialist associations, some are affiliated to the Federation, like the plasterers and shopfitters, and others are not, including the painters, plumbers and roofing contractors and the associations affiliated to the Federation of Associations of Specialist Sub-contractors. (This however is primarily a trade association and is not a wage negotiating body). Formal liaison committees have been formed with some of these associations and the plumbers and roofing contractors are represented in the NJC. Informal contacts are maintained with all. Electrical contracting and heating and ventilating contracting are independently organised.

110. In view of this complexity it is difficult to estimate how much of the industry is organised in employers' associations, whether affiliated to the Federation or not, and precise employment figures are in any case not available. However, the Federation estimates that of an estimated total of 850,000 employees in the industry between 700,000 and 750,000 are employed in those parts of the industry organised by the Federation and of these approximately 60 per cent are employed in member firms. Similarly of the total number of more than 80,000 employers in the industry about half are specialist contractors, some of whom are separately organised. The Federation states that its membership covers nearly all the large contractors employing more than 250 men, 60 per cent of the medium sized firms employing between 100 and 250, and a diminishing percentage with each smaller size group. Nevertheless the majority of members employ less than 20 men. The London Region has 1,200 members employing about 108,000 productive workers, representing at a rough estimate 75 per cent of total building employment. The membership of the four Associations visited in the North Western Region ranges from 15 to 150 employing together about 5,000 workers. It is not possible to estimate what proportion of employment in these areas is in federated firms, but it is thought that only four of the non-federated employers have more than 5 employees.

111. The lack of complete coverage is not regarded as a handicap either at local or national level, although attempts are being made to negotiate the affiliation of organisations which still remain outside the Federation. Many non-members of the Federation are thought to be in membership of unaffiliated organisations of specialist contractors or of the Federation of Master Builders which organises smaller general contractors. Those outside all membership of associations are reckoned to be in the main small employers who would not see much advantage in joining.

112. *Civil Engineering*: The Federation of Civil Engineering Contractors has a national membership of 710 firms grouped in nine "Sections", of which eight are regional and one is for large national contractors. The labour force employed by members is subject to variation according to the size and type of contracts in progress at any given time and employment figures are not collected by the Federation. At a very rough estimate the current total may be of the order of 200,000. Similarly it is not known what proportion this represents of the total labour force in the industry, but it is thought that it accounts for almost all workers who are employed on civil engineering operations other than by labour only contractors since actual membership is said to be 98 per cent of the potential.

113. Membership is limited to firms who have sufficient resources to take full responsibility for a civil engineering contract and excludes labour only contractors. Most of the non-federated employers engaged in the industry are therefore those who are not eligible to join.

114. Many members of the Federation also carry out building work in respect of which they may be members of the National Federation of Building Trades Employers, with whom a close liaison is maintained both formally through joint committees, and informally at staff level. The close contact does not always lead to the adoption of common policies since the interests of the members of the two Federations are not necessarily identical, for example in regard to the structure of the labour force (predominantly craft in building and predominantly non-craft in civil engineering) and the control of overtime.

115. *Electrical Contracting* : The National Federated Electrical Association has a national membership of about 3,000 electrical contractors including 381 branches of multiple firms, and the total labour force employed by members is approximately 50,000. No reliable estimate is available of total employment in this activity, but it is thought that there may be between 15,000 and 20,000 workers employed by non-federated specialist contractors, ignoring those in the employment of general building contractors and electricity boards. The coverage is therefore estimated as between 70 per cent and 75 per cent. Apart from employment in the contracting departments of electricity boards and with members of building employers' associations, it is probable that most of the non-federated contractors are very small employers of labour. Informal liaison is maintained with electricity boards and employers' associations in related industries, particularly engineering construction and civil engineering, but in view of the different policy of this Association in relation to the negotiation of uniform wage rates (discussed in paragraphs 151-154) co-operation is also sought at site level with individual non-federated contractors in order to achieve common conditions on the site.

116. *Multiple Retailing* : The Multiple Shops Federation is a federation of 5 autonomous Associations which each cater for a particular sector of the retailing industry and all of whose members operate a chain of at least 10 shops. There are about 300 firms in membership of the 5 Associations, and a further 200 are in direct membership of the Federation without belonging to one of the Associations. The number of employees of the 500 members is approximately 400,000 which is about two thirds of total employment in multiple retailing.

Other employers' organisations cover similar types of retailing, notably the Co-operative Union, local Chambers of Trade, and other associations of retail distributors, and the Federation is a member of a consortium which includes the Co-operative Union, the National Chamber of Trade and the Retail Distributors Association. Contacts are maintained for discussion of common trading interests rather more than for industrial relations matters.

117. *Other Industries* : The seven smaller associations which use the secretarial services provided by the same firm of chartered accountants cover a variety of industries not necessarily linked with one another and including smaller manufacturing industries. Each covers a particular industry

or type of manufacture, with a national membership employing labour forces varying from several thousand to a few hundred. Some have 100 per cent of total employment in the industry employed in member firms and none has less than 75 per cent. Some of the firms not in membership are members of other associations in related industries, but others may not be members of any association.

### MEMBERSHIP CONDITIONS

118. Eligibility for membership is commonly based on the three main factors; participation in the appropriate industry, agreement to abide by policy decisions of the association, and satisfaction of the other members that the applicant has a "reputable" business. There are, however, considerable differences of emphasis between the associations visited, and even some differences between local associations affiliated to the same national federation.

119. Participation in the appropriate industry is interpreted narrowly in the shipbuilding and civil engineering associations with the effect that membership is confined to employers in a homogeneous group whose activities are very similar to one another. In engineering and building on the other hand, the industrial coverage is much wider and membership is open to a greater range of employers engaged in different sorts of activity within the industry.

120. This could account for some of the differences between associations in the proportion which their membership represents of total employment in their respective industries. Those covering a greater range naturally have a greater potential membership with which to compare actual membership, and, moreover, they are more likely to encompass groups of firms who feel that their interests do not coincide with those of the majority of firms in the industry, and therefore elect to remain outside membership. Some associations have recognised this problem and have set up industrial sections within the association to cater for specialised interests, as in printing and building.

121. The limits on independence of action implied by agreement to stick by common policies depend to a large extent on the attitudes of the particular association towards the necessity for joint action. The members of the NFEA accept considerable limitations on their freedom of action in regard to wage policy and could not remain in membership if they wished to implement a different policy in their own firm. This Association perhaps epitomises the view that an employers' association exists to prevent competition for labour either by undercutting or by bidding up the price against each other. The members of the Multiple Shops Federation, on the other hand, seem to regard their employers' organisations as a forum for the discussion of common problems rather than as a policy-forming body. Between these two extremes varying degrees of pressure to conform are brought to bear on members which are discussed at greater length in Chapter III.

122. Since membership of all the associations without exception is voluntary—a feature which all regard, moreover, as fundamental to their character—it seems to follow that the execution of a joint policy is likely to make 100 per cent coverage of potential membership difficult to achieve and maintain. Some firms will resent the very suggestion that freedom to manage their own affairs should be qualified in any way and prefer to remain

non-federated, while others will find that in a particular case their own interests do not coincide with the majority and will withdraw from membership.

123. The requirement that members should be "reputable" firms is not generally formulated in a code of conduct like, for example, a professional body. The intention is to secure that members will not bring discredit on the Association by their conduct of business, and the method of vetting applications is normally similar to that of a club. Applications are dealt with at the local level—by the local association or the branch of a large or national association—where existing members might be expected to know something of the applicant's business standing, and commonly require a proposer and seconder who should satisfy themselves on this score. In the NFEA this procedure is more formal and is backed up by a requirement of its sister organisation the Electrical Contractors' Association that a standard of work should be maintained which is subject to inspection.

124. While these limitations on membership inevitably play some part in determining the extent to which an association represents all of the employers in a particular industry, they also indicate that 100 per cent membership is not necessarily sought as a conscious aim. Although increases in membership are generally welcomed, active steps to recruit the non-member are not so common even in those associations where the proportion of potential membership is relatively lower. It was found that association officials with some exceptions seem to regard the question of membership as a matter for the members and prefer to receive an application from an employer who has already decided he wants to join than to risk persuading a reluctant applicant who may in the event prove unacceptable to the other members. In practice, therefore, many of the approaches to non-members are made by members rather than officials, and recruitment is carried out in an informal, unorganised way.

## CHAPTER II

### GENERAL OBJECTS AND SCALE OF ACTIVITIES

125. This Chapter deals with the aims and objects of employers' organisations and discusses the factors underlying the differences in the scale and range of activities between the organisations surveyed.

#### GENERAL OBJECTS

126. Employers' organisations exist to serve the interests of their members. This fact explains the differences between organisations in the range of their activities and the way in which these activities have developed, because the different circumstances of particular industries determine what these interests are for each organisation. Activities are thus directed to serve those particular interests.

127. Some organisations cover trading activities as well as matters affecting their members in their capacity as employers of labour, but whatever the range of subjects written into the constitution, the associations are not restrictive in the assistance they are prepared to provide at the request of members. It even happens that an association supposedly dealing only with relations with trade unions nevertheless acts for its members in pressing their trade interests. For example, the Clyde Shipbuilders' Association which is concerned only with labour relations has acted for its members in such matters as industrial derating. The division between trade and labour interests is often felt by association officials to be artificial because many matters dealt with affect both of these interests to some extent.

128. There is no clear consensus of opinion on the question which of the interests of members are most in need of protection through membership of associations in present circumstances. Many of the local associations stress the need for protection of the employer from the demands of organised labour, the classic reason for the existence of employers' associations, but national federations and national associations without a local structure, for example the Multiple Shops Federation, tended to stress the importance of protecting members' interests in their relations with Government, public authorities, professional bodies, suppliers of materials, and "customers" (that is to say large users of the service or commodity supplied, frequently public bodies or main contractors). It seems likely that this is simply a difference of emphasis depending on individual circumstances, rather than reflecting a different concept of what the association primarily exists for. Thus the representation of members' interests to Government tends to be more frequent at national level, while the bulk of industrial relations work occurs in the local association office.

129. The term "protection of interests" is perhaps too negative a description of the objects of associations in serving their members. While these objects certainly include the protection of interests in the sense of the prevention of action by other bodies which would harm their members—the defensive

attitude—it is also regarded as embracing a duty to consider common problems arising within the industry—the "management assistance" attitude. Whereas the first kind of activity involves making a response to action taken by an outside agency, whether Government, trade union, or customer, or at most to anticipate possible harmful action by such bodies, the second kind involves seeking out ways of assisting their members to run their businesses more efficiently. This can take the form of encouraging research into technical processes, the analysis of future manpower needs, the development of common training standards, the consideration of future craft structure, assistance in the introduction of costing techniques or work study techniques, the problem of accident prevention and assistance in the establishment of safe working practices.

130. Many of this second group of activities are of fairly recent introduction, and the degree of involvement of the associations included in the survey varies considerably. It will also be noted that these activities extend into fields where other services are already provided in some form or another, e.g. by management consultants, Training Boards, HM Factory Inspectorate, and the degree of involvement naturally takes into account the existence of these other bodies. Nevertheless it is an aspect of the functions of employers' associations which is not only important in present circumstances but seems to be growing in importance.

#### FACTORS INFLUENCING SCALE OF ACTIVITIES

131. Although there is considerable similarity in the stated objects of all the associations visited there is no corresponding uniformity in the services provided for members. This situation seems to arise from two factors. Firstly, since associations exist to serve the interests of members, it follows that each association will determine what particular interests of its own members need serving, and they may vary according to the particular industry or the local circumstances. Services are therefore provided in response to a demand from the members, and tend to be those kinds of assistance which the majority of the members feel they need. The growth of services within each association has tended therefore to be greatly influenced by the extent of change within an industry or locality and the emergence of new problems faced by the employers in that industry. New and additional services are therefore "tacked on" piecemeal to an existing structure rather than growing as a smooth development of an original nucleus.

132. The second factor influencing the kind of services provided is more difficult to define, and may be termed the "mood" or attitude of the association. This again probably reflects prevailing membership attitudes, which the circumstances of an industry or locality may influence. The distinction can best be illustrated by extreme examples, but this is not to say that associations can be divided into two camps, since the variations in mood are subtly differentiated.

133. "*Common Forum*" Attitude : The Multiple Shops Federation has about 200 "direct" and 300 "indirect" members who belong to five affiliated associations concerned with the retailing of different groups of commodities—meat, grocery, wine, clothing and shoes. The common interests of members are primarily that they can all be seriously affected by legislation and are

subject to regulation particularly by local government (e.g. in the matter of planning application for new premises), and all employ similar grades of worker. These common interests find expression through the Associations and the national Federation in the formulation of a joint response to Government proposals, mutual assistance in dealing with planning regulations etc. and the negotiation of national rates of wages and working conditions with the appropriate trade union.

134. In these activities the members seem to regard their association more as a spokesman on their behalf to outside bodies than as a vehicle for joint action by the industry. In other words they do not meet together to decide a common policy and then go back to their own businesses and carry it out; they each develop their own policies independently and come together when the need arises to express the common features of these policies. For instance, the impetus to negotiate wages nationally with the trade unions does not stem from a desire to establish common conditions throughout the industry. Most of the employers probably feel that it is basically their own decision to determine the wages and conditions of their employees and in practice they do so. The value to the employers of national negotiation is that they are a means of dealing with demands by workers through their trade unions for the improvement of these conditions.

135. These associations therefore act as the spokesmen to the unions of the common attitude of the employers towards particular proposals made to one or all of them. The "mood" of these associations can therefore be likened to a conference where people with similar interests share views and pool experiences. The services provided reflect this mood and consist of means whereby views can be expressed, e.g. meetings, and the means of finding out what is happening outside their own business but which could affect it—information services covering Government legislation, the development plans of planning authorities, reports on the state of trade and factors influencing it, wage movements and agreements with the trade union.

136. "*Joint Action*" Attitude : The Federation of Civil Engineering Contractors is a national association of employers engaged in civil engineering activities in any part of the country. The common interests of these employers are in some respects similar to those of the Multiple Retailers with regard to the effect of legislation on the industry, and the employment of similar grades of labour. They have, however, an additional reason to desire to influence Government because of the important effect on the industry's prosperity of Government economic policy. The greater proportion of the work undertaken by these contractors is financed directly or indirectly by the central Government, and the expression of the views of the industry on the need for Government action or on the effects of a particular policy is clearly a vital need.

137. The "mood" of this association is quite different from that of the Multiple Retailers. Although the Federation can act as a spokesman for the industry if the need arises, its importance to the individual member seems to lie much more in the opportunity it provides to achieve corporate action to solve some of the problems of the industry. Members therefore look to the Federation to consider these problems, agree on a common policy, and to take appropriate action.

138. Matters considered appropriate for the Federation to consider include the future programme of civil engineering work, the supply of materials, the availability of plant and machinery, technical research, conditions of contracts, industrial relations, education and training, and the encouragement of safe working practices, as well as the effects of legislation and the conduct of public relations. The action taken by the Federation on these matters varies considerably according to the nature of the problem. With regard to programme of work, the emphasis may be on representation to Government on the need for a planned road programme; in education and training, courses may be provided or sponsored and common standards agreed for application in the industry; on conditions of contract the Federation has studied the legal implications and drawn up a model form of contract jointly with the professional civil engineering bodies.

139. Thus although these two Federations both set out to serve their members' interests, the nature of the organisations and the services provided differ quite markedly according to the degree to which the members in the two industries consider that corporate action is desirable, and the different circumstances of the industry. A similar contrast is apparent between the attitude of the National Federated Electrical Association as a joint action body, and the smaller associations in miscellaneous industries which act as spokesmen of common views. In most organisations, however, both attitudes are present to some extent and the degree to which corporate action is desired varies between different activities of the same organisation.

140. It should be noted that these differences are not only apparent in comparing associations in different industries. Local associations within the same industry and affiliated to the same national federation can differ from each other quite considerably in the range of services offered to their members, reflecting a similar difference in the attitudes and circumstances prevailing in particular areas. The differences are reduced to some extent by the fact that the supporting services provided by the national Federation are the same for all, but this does not result in the uniformity of services which is a feature of national associations organised into branches, like the National Federated Electrical Association or the Federation of Civil Engineering Contractors.

#### *Financial Resources*

141. Although the financial resources of associations vary widely according to the size of subscription, the number and type of members etc., shortage of money does not seem to play a dominant part in determining the scale of activities of employers' associations. While it is true that associations can only provide those services which the members are prepared to pay for, there was no real evidence in the associations visited that employers were unwilling to provide the money for the services they wanted. (It does not follow from this, of course, that individual officers in particular associations do not feel that they could do with more money, which they would be able to use in order to provide members with more services.) Variation in income seems therefore to provide an indication of the scale of activities desired, rather than placing an arbitrary limit on the development of activities.

142. There are, however, some important qualifications to this statement. The demand for services can temporarily outstrip revenue so that the associ-

ation's finances run into deficit, as has happened with the National Federation of Building Trades Employers. The lack of finance can in these circumstances inhibit the adequate development of services.

143. Employers' associations with a substantial membership of small firms find a greater reluctance to accept increases in subscription rates, while at the same time they may have to face greater administrative costs in relation to size of income. Also small local associations can find it more difficult than their larger brethren to develop services as a local initiative, although this problem can be tackled by joint action with other associations, the sharing of staff, or co-operation on a regional basis. The building employers' associations are currently dealing with a problem of this sort by reorganising their numerous small associations into areas to provide an improved service (see paragraph 291).

#### THE VALIDITY OF COMPARISON BETWEEN ORGANISATIONS

144. The differences between employers' organisations in the nature and scope of their activities which are examined in greater detail in the following Chapters are not therefore of the kind which would justify a comparison leading to value judgments. It is not a question of deciding how far each organisation measures up to, or falls short of, an ideal and distinguishing the good from the bad. The differences are fundamental to the nature of these organisations, and stem from the object of each organisation to serve the particular interests of its members. An employers' organisation does what it does because it is what its members need, rather than because it is what any organisation of employers ought to do.

145. Comparison between the ways in which different organisations carry out similar functions can, however, throw light on the extent to which the interests of employers in different industries coincide, as well as showing why one organisation could not be expected to do what another is able to do in the particular circumstances of its industry or locality.

## CHAPTER III

### INDUSTRIAL RELATIONS ACTIVITIES

#### THE GENERAL POSITION

146. In general, the activities of the employers' associations included in the survey which are connected with industrial relations in their industries can be classified in two groups:

- (a) The representation of employers' interests in dealing with trade unions, including the negotiation of wages and conditions and the handling of disputes between employers and workers.
- (b) Assistance to members in dealing with their own management/labour problems. This covers a wide range of services offered, from the giving of advice in response to telephone enquiries from individual members (not always easily distinguished from the information service described in paragraphs 238-242), to the provision or sponsoring of training courses in industrial relations for managerial personnel in member firms and in some cases the beginnings of a consultancy service to examine and advise on the individual problems of members.

147. Although the general position can thus be neatly summarised, the ways in which the different associations carry out their functions and the extent of their involvement do not follow a general pattern. In this chapter the activities of the associations are analysed under four headings to illustrate the major differences and to indicate common features:

- (a) the negotiation of wages and conditions of employment;
- (b) the handling of disputes;
- (c) contacts with trade unions;
- (d) the provision of advice and assistance to management.

#### NEGOTIATION OF WAGES AND CONDITIONS OF EMPLOYMENT

148. In the following paragraphs the activities of associations are examined in relation to:

- (a) the negotiation of national wage rates;
- (b) the negotiation of other conditions of work;
- (c) the negotiation of wages and conditions for staff workers;
- (d) their influence on local wage negotiations;
- (e) their involvement in productivity bargaining.

#### NEGOTIATION OF NATIONAL WAGE RATES

149. Associations in all of these industries negotiate with trade unions on national wage rates. There is however a wide difference in the degree

to which associations use these negotiations as a means of establishing a pay structure for the industry as a whole. One association attempts to impose the agreed rates as uniform and standard; some others attempt to influence by one means or another variations in excess of the agreed rates; and yet others take no action to control levels of earnings in individual firms.

150. Because of the considerations outlined in the following paragraphs, the activities of the associations in negotiating national wages agreements do not, except in one case, produce a national wage structure for the industries they serve, in the sense of establishing a relationship between the earnings levels of craftsmen and unskilled workers, or between supervisory grades and production workers. Considerable variations have grown up between the earnings levels of particular crafts, for example, between lithographers and compositors in the printing industry, and between the earnings of the same type of workers in different parts of the country or in different sectors of an industry. In general, the most that the central negotiations can achieve in this direction is to indicate a pattern of relationships which individual employers may follow in the establishment of their own wage structures if they wish to, and if they are able to in the prevailing labour supply situation or other circumstances affecting their business.

#### *Regulation of the Wage Structure for an Industry*

151. *Electrical Contracting*: The association which negotiates fixed rates for its industry is the National Federated Electrical Association. Members of this Association undertake to abide by the national agreed rates and not to negotiate separately with the trade union. The national agreement includes only two district variations, for London and Merseyside, and also specifies additional payments to be made under certain conditions such as dirt money. Employers are however not prevented by the agreement from paying merit increases to individual workers for long service or for special ability for particular work. In order to control the situation on large sites where several contractors may be working in company with other building contractors, the Association has set up management liaison committees which regulate payment of merit increases and the requirements for overtime, and guide members on the interpretation of the agreement. Discipline is strict and members who depart from the agreement are called before a special meeting of the Council of the Association and may be given the alternative of payment of a fine or expulsion. Expulsion from the NFEA also means expulsion from the trading association.<sup>1</sup> Until recently such expulsion carried with it a powerful sanction in that members of the trade association were able to obtain materials at discounted prices. This practice was regarded as contrary to the Restrictive Trade Practices Act and has been discontinued. In practice the number of expulsions is very small and does not exceed one per year, and it seems probable that the maintenance of uniform rates depends less on the application of sanctions than on the fact that it is in the self interest of the members to have a uniform rate. A series of meetings held to consult the membership on the question of maintaining a standard rate over a long term period or introducing a minimum rate plus a locally negotiated bonus produced 90 per cent support for the continuation of the Association's policy.

<sup>1</sup> The National Electrical Contractors' Trading Association.

152. Factors contributing to the desire of the members for a common wage policy include the following:

- (a) Much of the work undertaken is on sub-contract and tendered for on a fixed price basis some time in advance of the start of actual work, which is in any case determined by the main contractor. There is therefore a strong advantage in working on known fixed labour costs when tendering.
- (b) The proportion of the total cost of the contract represented by labour costs is high. It is usually about 50 per cent, but can be as high as 80 per cent to 90 per cent on some contracts where materials are supplied by the main contractor. Wage increases granted after tendering would therefore severely affect profitability.
- (c) The nature of the work undertaken by craftsmen in the industry makes it difficult to work out schemes of payment by results or incentive bonuses. Employers negotiating their own rates would therefore tend simply to bid up the price of labour against each other without any real possibility of gaining increased production in return for increased wages.
- (d) The number of small firms in the industry is very high. About 75 per cent of the membership of the Association employ less than 25 employees. Members are likely to feel therefore that their strength in negotiating with a strong trade union lies in the association rather than in their own hands. It should be noted also that this is a homogeneous industry whose members large and small are faced with broadly similar circumstances and problems. There is therefore a greater likelihood that the self-interest of individual members will coincide and that a policy suitable for one will be suitable for all than in those industries where circumstances are very diverse as in engineering.

153. Because of all these factors the association is probably succeeding in its aim of operating a wage policy for the industry. It should be said however that it is not doing so without difficulties. On those contracts where the members of the Association are working on the same site as employers belonging to other employers' associations or none, pressures are brought to bear on them to pay rates in line with the general standard of earnings on the site rather than in the electrical contracting industry generally. In some cases, such as on oil refinery and chemical plant sites, it has been necessary for the Association to recognise the need for members to depart from the common policy in the individual circumstances of a particular site contract, and such members are granted "dispensations" to pay rates in excess of the national agreement. Such dispensations are not willingly granted by the Association and do not amount to the granting of complete freedom to the member to pay what he likes. The Association has to be notified of the rates to be paid and attempts to retain control over the situation.

154. These arrangements for controlling wage levels cover manual workers only. No attempt is made to control or influence salary levels of clerical or supervisory staff, for whom individual employers usually determine their own rates.

### *Negotiation of Basic Rates*

155. All of the other associations visited negotiate national wage agreements which in fact establish minimum payments and individual employers make higher payments in one form or another where they wish to do so. The national negotiations do not therefore themselves establish a wage structure for the industry, which is instead the result of the combination of national agreements and local bargaining. The influence of associations on local negotiations is examined separately in paragraphs 169 to 183.

156. The building employers provide an interesting illustration of a national agreement which amounts to a settlement of basic rates, although it is formally provided in the agreement that "The current *standard rates* of wages . . . shall be those fixed by the Council". In practice local additions and "standing bonuses" are applied at site level, in much the same way as in the other industries studied. Yet until nearly 20 years ago building employers adhered to the wage structure negotiated at industry level and their standard rates were applied without local additions except where authorised at national level. It is notable in this respect that some of the factors mentioned in paragraph 151 which make a standard rate advantageous to the electrical contractors apply also in this industry, notably the benefit of known labour costs for tendering purposes, and the importance of labour costs as an element of total costs. There are however other factors which do not affect the electrical contractors to the same degree. Firstly, the membership of the National Federation of Building Trade Employers includes a wider variety of large and small contractors and the employment of substantial numbers of men on one site is more common, so that there is less reliance on individuals working on their own. Secondly, there is a greater variety of operations undertaken by these contractors involving different types of skill in the labour force, and in post-war years new methods of construction have been introduced which have reduced the emphasis on skill and increased the value of higher levels of production. Moreover, the volume of production of individual and groups of workers is capable of measurement; a factor which has contributed to the growth in the practice of labour-only sub-contracting. In this context, the movement of the employers towards a more flexible wage negotiating system embracing the negotiation by individual employers of incentive bonuses can be seen to be just as likely to suit the circumstances of employers in this industry as the standard wage structure is for the electrical contractors.

157. *Civil Engineering*: The national negotiations in the civil engineering industry fulfil a similar purpose to those in the building industry. There is, of course a substantial element of common membership in the two organisations among large employers engaged in both building and civil engineering activities. Although the rates of pay negotiated are "standard" rates for particular classes of worker, they are frequently supplemented by bonus payments on particular sites. Extra payments claimed in recompense for poor working conditions ("dirty sites") are negotiated through the machinery of the Conciliation Board, but no attempt is made by the Federation to control additional payments made in the form of a bonus. The view is taken that each site is, in effect, a "one off" job which varies from other sites in terms

of design, specification, physical unknowns and incidence of repetitive operations. The Federation does not therefore participate in the negotiation of site agreements on bonus rates, since the employer is the only one in a position to know the facts of the site. It is emphasised that these variations apply to sites rather than employment with a particular contractor. The employer working on a number of sites may negotiate separate agreements for each.

158. *Shipbuilding* : The Shipbuilding Employer' Federation negotiates national basic rates which have in effect become minimum rates to which various additions may be negotiated locally. Probably only about 5 per cent of craftsmen are now thought to be receiving simply the basic rate, although the proportion of craftsmen's mates and labourers in this position is much higher. This is partly because of the use of payment by results schemes in the industry which has brought with it the custom of negotiating "lieu rates" for workers whose output cannot be measured. This type of payment is negotiated locally without control by the Federation, but practice varies in different areas as to how far the local associations are involved in these negotiations.

159. *Engineering* : In the engineering industry national negotiations have traditionally determined minimum rates which specify the hourly time rates to be paid for particular classes of worker. These rates may not be varied by member firms but they are free to make supplementary payments of various kinds which will increase total earnings. In fact, the rates in the national agreement are very much lower than the average earnings in the industry and the last earnings inquiry carried out by the Engineering Employers' Federation in 1963 indicated that at that time the number of skilled workers receiving the minimum rate was only about 2 per cent, although there were considerable regional variations in the amount by which earnings exceeded the minimum. The negotiation of supplementary payments takes place at the level of the individual firm and the importance of these negotiations has grown steadily in recent years relatively to the importance of national negotiations on the minimum rate.

160. *Printing* : In the printing industry the negotiations are about basic weekly rates plus a cost of living sliding scale<sup>1</sup> and extra payments to be made in certain conditions. These are minimum rates, and firms are free to pay above the rate if they wish. From information obtained by the British Federation of Master Printers it appears that nearly all workers are getting something on top of the basic rate and that the main difference is between those who receive just a little more and those who receive a great deal more. In this industry also the level of earnings is therefore determined much more by domestic negotiations at the level of the individual firm than by the negotiation of a national rate.

161. *Multiple Retailing and Miscellaneous Industries* : In multiple retailing and in the smaller associations in miscellaneous industries national negotiations produce minimum rates for particular grades of worker which employers may vary upwards at their own discretion. Some of the employers in multiple retailing are in branches of the industry which is covered by Wages Council Orders and the voluntary agreements entered into seem to have a great deal in common with such Orders in that they prescribe a minimum rate without

<sup>1</sup> Notice has been given by the Federation that this will be excluded from future agreements.

any suggestion that this should also be the normal rate. In practice, it seems likely that average earnings in these industries are more closely related to the nationally agreed rates than in some other industries. No hard figures are available but it is estimated that about half the workers in multiple retailing receive some higher rate of payment than the national minimum. National negotiations therefore remain the most important area of bargaining in these industries.

162. In the industries which use national negotiations to establish minimum rates, it appears that collective negotiations on behalf of the employers in practice produce rates of pay which are the lowest which employers and trade unions will accept as reasonable. The employer's interest in establishing such minima is that such an agreement will prevent unfair competition between employers by undercutting labour costs below a reasonable level.

163. Because these rates are normally used as the platform on which additional payments are based, claims for increases on the national rate generally affect all workers in practice, and not simply those workers receiving the basic rate only.<sup>1</sup> The importance of national negotiations to the employer therefore is that they concern the question whether there should be a general increase in wages throughout the industry. The engineering and shipbuilding employers have been trying to move towards the elimination of this aspect of the national negotiations in their industries by the introduction of the concept that the national rate should be a *minimum level of earnings*. Therefore, some of the increases negotiated in the most recent long-term package deals in these industries apply only to those workers who do not earn more than the minimum. Although this concept has not yet been generally accepted, it indicates a point of view that national rates in these industries should become realistic minimum rates subject to upward variation to suit individual circumstances. There is clearly a desire in these employers' organisations to bring basic rates more into line with actual earnings. This means that the negotiation of increases in national rates would tend to follow earnings movements in the industry rather than raise the level of earnings throughout the industry, as it has in the past.

#### NEGOTIATION OF CONDITIONS OF WORK OTHER THAN WAGES

164. National negotiations also commonly cover conditions of work other than wages. Subjects covered under this heading include the length of the working week, and the amount of paid holiday, and agreements lay down rules governing the payment of extra allowances such as payment for travelling time, shift premiums and overtime premiums. In the engineering, building and civil engineering industries particularly, the range of subjects covered in the national agreement is quite wide.

165. In contrast to the normal attitude towards the negotiation of wages, the national agreements on conditions of work are regarded as standard and are not subject to improvement at the local level. However, local associations may add to the number of subjects covered in district agreements and several

<sup>1</sup> This is claimed not to be generally true in multiple retailing although some movement in company rates usually follows negotiations of a national increase.

associations have in fact done so. For example, the Tyne Shipbuilders' Association negotiates an agreement covering actual times of starting work, and the timing of statutory holidays.

166. The importance to employers of uniform action in these matters seems to arise partly from the fact that the granting of improved conditions of work adds to labour costs without any direct compensation in increased production. If individual employers were to offer better conditions than those specified in the national agreement, they might therefore make themselves uncompetitive. If, for example, one firm were to concede an extra week's holiday with pay, it would lose a week's production and its costs would rise in comparison with its competitors; whereas, if the improvement in conditions applies throughout the industry, the rise in costs does not affect the competitive position of individual firms. This means, in other words, that firms do not feel they have anything to gain individually in return for conceding improved conditions. Their attitude to such claims is therefore different from their attitude to a local wage claim, where, in theory at least, increased costs can be absorbed by a compensatory increase in production.

#### NEGOTIATION OF WAGES AND CONDITIONS FOR STAFF WORKERS

167. Except in engineering and shipbuilding, these associations do not generally negotiate wage rates and conditions for supervisors or technical, commercial and clerical staff. In shipbuilding, rates are agreed nationally for draughtsmen, and in engineering the Federation negotiates national rates for draughtsmen, scientific workers and clerical staff. Supervisors are not included in these arrangements but claims in respect of groups of workers can be dealt with through an agreed procedure providing the trade union can show that it has a majority membership in the grade in question at the particular establishment.

168. It appears therefore that employers have generally not seen any great advantage in bargaining collectively with trade unions on wage rates for these groups of workers. It was suggested by association officials that difficulties could arise in determining the grading of work to which wage rates would be applicable in view of the wide variety of work undertaken in these grades. However, it also seems likely that employers prefer to deal with these grades of worker either on an individual basis or on a company basis.

#### INFLUENCE ON LOCAL WAGE NEGOTIATIONS

169. Only one of the local employers' associations visited negotiates collectively on behalf of its members supplementary rates of pay applicable to a whole district. Many of the national agreements of course include district variations but these seem to have decreased in importance except where the national negotiations produce a basic rate which is also the normal rate of earnings. The great majority of negotiations on local rates are in fact carried out by individual employers, acting independently but subject to varying degrees of influence from their employers' association.

170. It is difficult to assess the strength of the influence exerted by associations on their members, but is probably as strong as the members of a particular association at a particular time want it to be. As already indicated

in paragraph 151 the members of the National Federated Electrical Association have agreed that all negotiations should be undertaken at national level and that no supplementary payments will be negotiated by individual firms. In the shipbuilding industry on the other hand, there is no central control of local associations and it is left to each local association to determine the degree of common action desired. In the local associations included in the survey there are marked differences in approach.

171. The Tyne Shipbuilders' Association uses district wage negotiations to cover a very limited field, and local wage claims are dealt with by the employer. Since many of the workers in this industry are paid by results in this area, much of this negotiation concerns piecework prices. This association does not attempt to influence the decisions of their members on these claims unless advice is sought or agreement is not reached and the disputes procedure is invoked.

172. The Clyde Shipbuilders' Association, on the other hand, sets out to achieve a common policy on wage levels among its members, and negotiates district rates for a wider range of occupations.<sup>1</sup> Separate negotiations are carried out for the two districts in the area, namely Upper Clyde and Lower Clyde, and the resulting rates are treated as standard for uniform application throughout the district. However, these negotiations do not cover the whole range of employment in the industry, and claims for additional payments are also frequently made to individual employers. These claims are not primarily about piecework prices since the piecework system is used less on the Clyde than on the Tyne. In order to maintain a common policy in these areas also the employers customarily consult the Association during domestic negotiations, either to seek advice on settlement of the claim or the assistance of the Association staff in negotiating with the trade union. In practice therefore the Association is able to vet domestic claims to ensure that a settlement in one yard does not embarrass the other shipyard employers in the district. The control exercised by this Association over its members is nevertheless a voluntary discipline rather than an imposed discipline. It rests on the common acceptance by all the members that a uniform policy is in the interests of all, and on a tradition of acting together in an industry whose members face similar problems. Moreover, until recently there was not a shipyard on the Clyde not in membership of the Association, which was therefore able to express a strong solidarity of feeling and interest.

173. Another form of control is exercised in varying degrees by the engineering, building and civil engineering associations, who specify in their national agreements the basic time rates payable in the industry, and require individual employers not to alter them by local negotiation. This means that these associations require that additional payments made by employers to their workers are paid in a way that does not appear to infringe the national agreement. Thus, a member may be requested not to increase hourly rates above the nationally agreed rates, while payments made in the form of a bonus are free from control. The control therefore determines the way in which a member may pay above the basic rate, and leads to the concentration of local negotiations on such matters as piecework prices or incentive targets.

<sup>1</sup> The North East Coast Shiprepairs' Association follows a broadly similar line.

174. Efforts to maintain the distinction between national time rates and locally negotiated supplementary payments vary between associations even in the same industry. None of the associations has an effective sanction against a member who insists on paying a higher time rate other than expulsion, which is generally regarded as too strong for this kind of offence, although it would be used against a member who insisted on paying less than the agreed rate. Association officials refer to the moral pressure to conform which can be brought to bear and which may result in the resignation of the member who refuses to conform. However, the use of such pressure to enforce the sanctity of basic rates seems to be less frequent than its use to enforce conformity to national agreements on conditions of work other than wages.

175. It is probable that adherence to basic time rates is achieved less by the control of the association than by the recognition by members that such adherence has advantages for them, for example, in its use as a basis for holiday and overtime payments. Where such advantages are outweighed by advantages to be gained by increasing the basic rate, for example in order to obtain scarce labour, the member will normally prefer to resign than to conform, and pressure on him to do so will only be taken if it is felt that his action will damage the interests of the employers as a whole. Such pressure in practice is more often resorted to by associations who have in membership a substantial number of small firms, for example, the engineering associations on the North East Coast and the building associations in the North West and does not occur so frequently in associations where larger firms are predominant as in Coventry or London. This suggests that larger firms generally desire more freedom in local wage negotiations than the smaller employers.

176. There is, however, an example of an employers' organisation with a membership of mainly small and medium-sized firms which does not attempt to control the way in which members pay above the basic rate negotiated nationally. The rates negotiated by the British Federation of Master Printers are minimum rates only, and the Federation has never been concerned to prevent its members from paying more. Nearly all workers in fact receive higher pay than the nationally agreed scales. It is possible that this lack of desire for control may stem from the ten large firms who employ about 25 per cent of the workers in the industry. Much of the union pressure for higher wages is exerted in the larger firms, who seem to take the attitude that loss of business is a greater calamity than acceding to strong trade union pressure. However, the general lack of a sense of solidarity, arising from divergent interests in different sections of the trade, may be a contributing factor. In 1959 when the Federation was faced with strike action because of its refusal to grant a claim for a 40 hour week, rather more than 200 firms left their association in order to settle independently with the trade unions.

177. The other associations in multiple retailing and miscellaneous industries do not attempt to control the payment of higher rates than those agreed nationally. In practice it is unlikely that higher rates are paid as a result of local negotiations with trade unions or workers' representatives but they do result from a management decision that higher rates should be paid either to attract labour or to reward effort.

178. The control described in the previous paragraphs is however a control over methods of payment rather than a control of actual levels of remuneration, and it does not touch the main question at issue in local negotiations, namely the amount of extra money to be paid. On this issue the associations do not have any power to control their members, nor do they seek to acquire it. The Federation of Civil Engineering Contractors, for example, recognises that in conditions of an unsatisfied demand for labour it cannot effectively prevent bonus rates rising in order to attract labour to sites in difficult labour market areas. The individual employer is the judge of the situation within the limits set by the economics of the contract. The Federation's activities and those of other organisations in this group do not therefore have the effect of eliminating wage competition.

179. However, some associations attempt to exert a positive influence on their members which has no flavour of control about it. Associations in engineering, building, printing, and civil engineering take action to encourage their members to get value for money in their independent negotiations, and to try to persuade them not to arrive at settlements which are likely to embarrass other employers. They do this by exhortation and the provision of advice, information and assistance to their members, who are of course free to make their own decisions whether to accept the proffered help or to ignore it.

180. The encouragement of members to get value for money in their negotiations is generalised and designed to have a long term effect. It takes the form of propaganda about the benefits of work study or incentive schemes either at meetings or through the printed word, and the dissemination of information about the methods and principles on which such schemes should be based.

181. An example of such action is the issue by the National Federation of Building Trades Employers in August 1963 of general principles concerning incentive schemes which have been incorporated in the National Working Rules for the industry. Association officials recognise that this action has not had a marked effect in the industry, and that a large number of employers continue to operate fixed bonus schemes which result in guaranteed extra payment irrespective of the level of production, and that targets are frequently not sufficiently related to costs. They feel, however, that these are matters which must be tackled by the individual employers in the light of the particular circumstances affecting their own businesses, and that the association's role must be limited to the giving of general advice and assistance for example through Incentives Advisory Panels. One large contractor has recently undertaken a thorough revision of incentive schemes and has negotiated a new company agreement with the trade unions, which removes the fixed bonus and sets out rules for the payment of incentives applicable nationally at all the sites at which the company is engaged, including national targets. Other large contractors are interested in this method of approach, and the association is acting as the medium for sharing information about this scheme.

182. Influence designed to prevent embarrassment to other employers is exerted both generally in the circulation of information on earnings in particular occupations, and in particular instances in advice given to members about the settlement of particular claims. Reference is made in paragraph 241 to the action taken by the Coventry and District Engineering Employers'

Association in circulating information on local earnings levels in different occupations in the industry. The clear intention of this action is to influence members against conceding claims which would result in earnings far out of line with the average of other local employers. All associations in the engineering industry also influence the nature of the settlement of local claims through the operation of the procedure agreement for "cases arising". Most of the matters dealt with under this procedure at Works Conferences are in fact better described as local wage negotiations than as disputes, and because of the widespread use of the procedure for this purpose, associations can frequently advise employers against a settlement which might provide an awkward precedent for other members. Advice can also be given to individual employers outside formal involvement in the settlement of claims. In the printing industry, where employers are free to deal with these matters independently, association officials try to encourage their members to call on them for advice.

183. It is emphasised that the extent of association influence in local negotiations is by no means uniform, and some associations try to do more than others. Even those who are most active in this direction would not claim that they have prevented the growth of wide disparities in earnings levels among their member firms though they clearly hope to reduce the disparities by their activities.

#### INVOLVEMENT IN PRODUCTIVITY BARGAINING

184. The part played by national and local associations in productivity bargaining is closely related to their attitude towards the purpose of national negotiations and the freedom of their members to undertake local negotiations. It is also affected by the degree to which the practices which it is desired to change are common to the members of the organisation. The different attitudes of the associations included in the survey can be classified into three broad categories:—

- (a) bargaining by the association on behalf of its members,
- (b) bargaining by individual employers subject to the limits set by the National Agreement,
- (c) no involvement by the association.

#### Association bargaining

185. The associations which have been most concerned to achieve industry-wide productivity bargains are those which set out to establish and control the wage structure for the industry such as the National Federated Electrical Association, and those whose members face common problems in the removal of restrictive practices such as the shipbuilding and printing employers.

186. In the context of a controlled wage structure in the electrical contracting industry there is clearly no room for productivity bargaining by individual employers. Negotiations with the trade union about changes in working practices are conducted by the Association and have generally been linked with the national negotiations on wages. The first long term agreement in 1963 contained only a general undertaking to co-operate in removing time wasting practices, but the second, in 1966, provided for the introduction of a new craft structure (see paragraph 256). Although the

Association carries out surveys among its members to gather information on productivity and labour costs it is not in a position to estimate the value to employers of the improvement sought as precisely as individual employers could do for their own businesses. While the linking of the negotiations with a wage bargain owes much to the proposition that the changes involved can pay for higher wages, it should be noted that there is also a necessity for the link because of the fact that a new craft structure requires a new pay structure. In future it is intended that the connection between productivity and wage negotiation shall be primarily one as it were between cause and effect, namely that changes in productivity will be measured and form the basis for wage increases after the event.

187. The Shipbuilding Employers' Federation has attempted over a number of years to negotiate changes in working practices in the interests of more efficient use of manpower. These negotiations failed to make any progress at the national level, and the matter is now being dealt with locally. The local associations on the Clyde and the Tyne, however, are playing quite different roles in this local bargaining in line with their different attitude towards the participation of the associations in local wage negotiations.

188. The Clyde Shipbuilders' Association has made several small-scale attempts to link district wage agreements to improved methods of working. It was not until very recently, however, that the problem of flexibility has been tackled, which is the main problem locally. Following the failure to reach agreement at national level on a revised craft structure for the industry, discussions took place at individual yards on the Clyde on the question of introducing flexibility between the craftsmen, and in particular on the use of craftsmen other than welders to do tack welding incidental to their own work. Since all of the shipyard employers have a common interest in achieving flexibility and in the maintenance of uniform rates in the districts, negotiations on alterations to pay structure consequent upon the changes in working practice were dealt with on a district basis through the Association instead of on a yard by yard basis, and agreement was reached first on the Lower Clyde, and a few months later on the Upper Clyde.

189. In the Shipbuilders' and Shiprepairs' Associations on the North East Coast on the other hand, action of this kind has not been taken on a district basis, but has been dealt with by individual employers in their own yards. The different situation in this area may result partly from the fact that local pay negotiations tend to take place in the yard rather than at district level, and partly as a reflection of differences in methods of work between shipyards in the area. However, one of the most difficult restrictive practices in the area affects all the yards, namely refusal to work overtime when unemployed fitters are available in the district. The Shiprepairs' Association has recently negotiated with the trade union an agreement which could reduce the effects of this ban in return for an inter-yard guarantee of employment for the number of workers estimated to be required long-term in all the yards. Although not a wage bargain, this agreement, when implemented, should improve the efficiency of manpower utilisation and contribute to stabilisation of the labour force by facilitating transfers between yards.

190. In the printing industry negotiations on methods of working take place to some extent at the level of the individual firm, for example in relation to the manning arrangements on the introduction of new machinery, and Regional Alliances become involved to the extent that difficulties arise in this respect. However, the major problems affecting the achievement of more efficient use of manpower are related to the strongly defined craft structure of the industry and the need for greater flexibility, which are problems faced commonly by many member firms, particularly the larger employers. Negotiation on these matters has been carried out at national level in the context of national wage negotiations, without much success. However, following the formation of the Joint Manpower Committee mentioned in paragraph 251, it seems likely that the emphasis will continue to be at the national level.

#### *Employer bargaining within limits*

191. In the engineering, building and civil engineering industries productivity bargaining takes place primarily at the level of the individual firm, subject to the limits set by the national agreement in each case. In these industries the emphasis has been put on improving productivity by the use of incentive or payment by results schemes rather than on the removal of restrictive practices. These matters therefore fall within the area of local negotiation subject to the guidance and influence of the association described in paragraphs 173-175 above. In each industry the employer is free to negotiate such changes in working practices as are particularly important to his own enterprise, but he is subject to the overall restriction that the basic time rate and other conditions of the national agreement should not be varied.

192. In building and civil engineering this restriction does not appear to have prevented employers from negotiating company bargains. One large building contractor concluded a company agreement during 1966 which was designed to centralise bargaining on incentives from the site to the company level, and to remove the abuse of excessive overtime working. This agreement does not however in any sense supersede the national agreement, and the hourly rates of pay and working conditions contained in the National Working Rules are applied by this company just as they are by other companies in membership of the Federation. The company agreement is in effect supplementary to the national agreement, and is concerned with those matters, including productivity, which fall within the area left for local negotiations. It therefore provides an example of an individually negotiated productivity bargain within the context of the terms and conditions of the national agreement, which is in no way incompatible with membership of the association.

193. The role of the association in this kind of situation is minimal, since the initiative to negotiate stems from the individual member, and it is the member rather than the association who is in a position to assess the usefulness of any particular change in working practices and to calculate the possible savings. The association can, however, provide a forum for the interchange of information between members, so that one can profit from another's experience.

194. Efforts to improve productivity in the engineering industry are similarly concerned primarily with the operation of payment by results schemes, and the associations' involvement consists in the provision of general background assistance, for example in the provision of facilities for the training of management and supervisory staff in work study, so that piecework prices can be negotiated on a sounder basis or measured day-work introduced. The West of England Engineering and Allied Employers' Association has provided such facilities for some years, and the Coventry Association plans to extend its activities in this direction.

195. Action to improve manpower utilisation by the negotiation of changes in working practices is however generally regarded as a matter for the individual employer to initiate and the associations visited are not actively involved except through cases arising in the procedure. The wide variety of industrial activity covered by the associations has its effect here, since the problems faced by members tend to be individual rather than common to the membership at large. The freedom of the individual employer to negotiate, however, is limited by the necessity to conform to the time rate and other conditions specified in the national agreement. This means in practice that additional payments should be made in the form of bonus and not by increasing the time rate, and that package productivity deals of the Fawley type, where earnings are maintained in spite of reduced overtime by the payment of higher basic rates, are difficult to reconcile with adherence to the national agreement. However, the importance of this varies between different associations because of differences in the effectiveness of control (see paragraph 175). Negotiations in fact tend to be carried out on a small scale for specific groups of workers rather than for plants or companies as a whole.

196. The minor role played by associations in these industries in actual productivity bargaining does not imply lack of interest in the subject, but rather reflects the attitude that such matters are properly the concern of the individual employer, who is free to deal with his own internal affairs and maintain his competitive position, providing his actions do not seriously affect the interests of other members. Moreover, where members have a common interest in achieving change in the use of manpower, the associations play a more important role, as for example in the activities of the National Federation of Building Trades Employers in negotiating a new craft structure for the industry, mentioned in paragraph 254. However, such activities are more closely connected with the concern of the association with manpower questions than with wage bargaining, although changes clearly have wage implications.

#### *Associations not involved*

197. The multiple retailers' associations and the associations in miscellaneous industries do not link wage negotiations with the negotiation of improvements in productivity to any significant extent. Nor do they play any part in controlling, influencing, or guiding their members, who are free to introduce such changes as they consider necessary in their own businesses. In practice, however, employers in these industries have felt little need to negotiate productivity agreements or to seek general changes in working practices.

## DISPUTE HANDLING<sup>1</sup>

198. It is an important object of all employers' organisations to promote industrial peace by providing machinery for the settlement of disputes between employers and workpeople. The assistance includes handling negotiations with trade unions, either informally or by means of a formal procedure for the consideration of cases, and giving advice to members on points of difficulty which could develop into disputes. In those industries where employers' organisations are federations of local associations, the majority of cases are dealt with at local level, and only the most difficult cases reach the national federation; where the organisation is centralised in a national association with branches, all the work is centralised at national level.

199. There are, of course, considerable differences in the volume of activity and the nature of disputes handled in different industries, and it is particularly noteworthy that the associations dealing with the largest number of cases are those who participate most actively in the domestic wage negotiations of member firms.

### THE ROLE OF THE ASSOCIATION

200. It may be helpful to examine the activities of associations in this respect under two broad headings, namely those disputes which concern the interpretation of a national agreement, and those which arise in the area of negotiation outside a national agreement.

201. *Interpretation Disputes*: The disputes in the first category commonly affect individual workers rather than groups and include such questions as whether a particular worker is entitled to a payment for travelling time, entitlement to holiday pay, or the provision of a lock-up for tools. The common feature of disputes of this type is that an agreement exists on the action which should be taken, and the area of disagreement ostensibly at least between the employer and workers concerned is about the question whether the agreement has been broken. Reference of the dispute to the employers' association and trade unions for a ruling is therefore to some extent a matter of seeking guidance from the bodies who made the agreement in the first place on what it means in a particular instance, as well as a method of breaking a deadlock.

202. In some associations, particularly those handling very few disputes, the majority of cases handled fall into this category, notably the Multiple Retailers Associations, the National Federated Electrical Association and the Federation of Civil Engineering Contractors. The disputes handled by the local associations in the building industry through local and regional Conciliation Committees are also of this type. In engineering, shipbuilding and printing on the other hand the proportion of interpretation disputes is very small.

203. *Domestic Disputes*: The second category of disputes handled by the associations covers the area of industrial relations where negotiations are normally carried on between employers and their own workpeople to establish conditions applying in a particular firm, establishment, or site. The employers' associations become involved, together with the trade union, when the

<sup>1</sup> The comments in this section do not apply to the smaller associations serviced by the firm of chartered accountants from whom information on dispute handling activities was not available.

domestic negotiations have failed to reach agreement and guidance is sought on how the differences of the parties to the dispute can be reconciled. In the shipbuilding and engineering industries most of these disputes arise out of wage negotiations for a particular group of workers, piecework prices for a particular job, or bonus arrangements on a site. Other matters which can be referred in this way include demarcation and manning disputes, decisions to declare redundancies or to close establishments, and attempts to establish a "closed shop". In printing the majority of cases tend to be about these matters, particularly demarcation and manning questions. In the building industry matters outside the scope of the national agreement cannot be dealt with formally through Conciliation Panels of the Joint Committees, and in particular allegations of wrongful dismissal, the victimisation of shop stewards and bonus disputes fall into this category. Incentives Advisory Committees can assist with bonus disputes, and others may be dealt with by Emergency Disputes Commissions if strike action is threatened or taken (see paragraph 214). However, bonus disputes represents a fairly small proportion of the total "domestic" issues dealt with and it seems that most of these matters are settled by employers independently.

204. Although the aim of referring the disagreement on a "domestic" issue to the association is to seek reconciliation of opposing views, the function of the association is not that of an independent conciliator. Nor is it simply to support the member employer, right or wrong. The association representative analyses the employer's case, considers it in the light of the practice of other member firms in the district or industry, and in the framework of the policy of the association and formal agreements, and advises the member whether to concede a claim, hold firm, or compromise. He is, of course, also bound to take into account practical considerations such as the strength of the employer's will to resist the claim and his capacity to withstand a stoppage of work if agreement cannot be reached.

205. The differences between associations in the proportion of "interpretation" and "domestic" disputes they handle and in overall volume can be explained partly by their different attitudes to wage negotiation.

206. Since the National Federated Electrical Association undertakes all negotiations on behalf of its members, disputes about wage matters must inevitably turn on the question whether the agreed amount is being paid, and the emphasis is therefore on interpretation disputes.

207. In engineering and shipbuilding, on the other hand, where workplace bargaining has become more important than national negotiations in determining actual earnings, the handling of disputes has become very largely a form of domestic wage negotiation. Moreover, it is in these industries that the number of cases handled by associations has increased most markedly in recent years. In engineering the number of Works Conferences rose from 1,718 in 1955 to 4,064 in 1964. Similarly cases referred to Central Conference increased from 125 to 451 in the same period (EEF written evidence, Appendix P).

208. In building and civil engineering, where basic rates and conditions have traditionally been settled nationally, the "normal" type of dispute handled by associations is an interpretation dispute. Although "domestic" disputes can arise over the negotiation of bonus rates, the assistance of the

associations is not frequently sought, because employers regard the matter as an internal affair rather than something for collective negotiation: the exclusion of such cases from the normal disputes machinery in the building industry illustrates this point. The small number of "domestic" cases handled by associations in these industries in spite of the prevalence of bonus schemes explains the lack of any significant increase on the overall volume of cases handled, and reflects the small part played by the associations in site negotiations.

#### METHODS OF HANDLING DISPUTES

209. All of the associations included in the survey operate a formal procedure for dealing with disputes, involving a number of stages at local and national level. This does not however account for all the work of associations in this field. In fact, in some cases it represents only a very small part of dispute handling activities. In the printing industry, for example, it is normal to deal with disputes informally.<sup>1</sup> The informal action consists either of the arrangement of a meeting with the trade union concerned, or of advising the member on the course he should adopt in negotiations. Accurate figures are not available but the London Master Printers' Association estimate that while only 2 or 3 cases a year are dealt with on average through the formal procedure, about 20 informal meetings with trade unions are arranged, while the number dealt with more informally by advice to the member runs into hundreds each year. In the building associations informal methods are also used to a substantial extent and the London Region of the NFBTE which dealt with 46 disputes through formal procedure in the first nine months of 1966, handled another 24 cases through informal discussions with trade unions. In shipbuilding and engineering the formal procedure remains the normal method of negotiation, but even so there is some use of informal meetings. On the North-East Coast perhaps 10 per cent of cases are dealt with informally and in the Coventry Engineering Employers' Association it is estimated that 20 per cent of meetings with trade unions are outside the procedure.

210. The reasons for "by-passing" procedure are various. In some cases raised by a trade union, particularly those relating to the interpretation of an agreement, the Association may consider that the employer is "out of line" and persuade him to change his mind before the case is formally heard. Informal procedures here save time and possible embarrassment to the employer. In other cases, informal methods are preferred because the formal machinery introduces third parties, such as other unions not involved in the dispute. This is felt to be one of the main reasons for the unpopularity of the final stage of formal procedure in the printing industry especially in demarcation disputes. The general view of Association officials is that the by-passing of procedure does not necessarily imply that the procedure itself requires revision. The aim of the procedure is to reach agreement and if this can be achieved informally, so much the better. The procedure itself remains necessary as a "long stop" to deal with cases where agreement is difficult to obtain.

<sup>1</sup> Only six cases went through procedure in 1964 compared with "several hundred" dealt with informally. The final stage of the conciliation machinery in the National Joint Industrial Council has not been used since 1965.

211. It is recognised that some types of dispute are difficult to solve whatever method is used, but there is a general reluctance to contemplate the use of machinery outside the industry to obtain solutions. Since the aim is to reach agreement it is not surprising that the difficult cases tend to be those where there is no room for compromise. Typical disputes in this category concern the manning of machines, demarcation, closure of a factory, or the dismissal of a shop steward. Another common feature of these cases is that emotions are aroused in the particular establishment and deeply held convictions may be at stake. Although "outside" intervention is not popular, there is less opposition to the use of independent conciliation in special types of dispute such as demarcation and manning questions.

#### PREVENTION AND SETTLEMENT OF STRIKES

212. It is the aim of the Associations to prevent the occurrence of strikes and other industrial action involving refusal to work according to the employer's wishes, which interrupt production and damage their members' interests, and they try to do this through assistance in the settlement of disputes and by concluding agreements with trade unions that industrial action will not be taken while the case is being discussed. Many of the Association officials interviewed felt that this action was generally successful. In the shipbuilding industry and sections of the engineering industry (including structural steel-work on construction sites) resort to strike action is, however, quite frequent. The Clyde Shipbuilders' Association recorded 184 stoppages of work in its area in 1965; the Coventry Engineering Employers' Association recorded 170 instances of all types of industrial action, including strikes, during the same period. A common feature in the two industries is that the vast majority of strikes occurred before the matter in dispute had been referred to the Association for settlement. Only 17 of the 170 cases in Coventry Engineering firms occurred after the Works Conference.

213. The first action taken by the associations to settle a strike is therefore to contact the local trade union official to seek his co-operation in getting the men to return to work before negotiations on the dispute are recommenced, supplemented in some cases by similar action at national level. The general attitude is that negotiation should not continue "under duress" while the men remain on strike. However, this does not prevent informal contact with the trade union to "clarify the issues", and possibly to indicate the lines on which a settlement might be obtained. On the Clyde the resumed negotiations after a strike normally take place at the Yard Conference organised by the Association. In Coventry, however, the great majority of disputes involving a strike do not subsequently involve the Association—only 23 of the 170 cases were dealt with subsequently at a Works Conference. The remainder were settled by individual employers, negotiations having been resumed at the stage in the firm's internal procedure at which they had been interrupted. The direct involvement of the Coventry Association in the settlement of disputes involving strikes appears therefore to be limited to quite a small proportion of the whole, although the officials believe that these include the cases of greatest difficulty.

214. The building employers operate a special procedure for dealing with disputes involving the threat or use of strike action, known as the National Emergency Disputes Procedure. This special procedure includes the use of

Commissions to consider matters outside the terms of reference of the Conciliation Panels of the National Joint Council. Nevertheless, the procedure is not invoked automatically whenever a strike occurs, and disputes involving short stoppages of work, or lightning strikes, may be settled by the employer without the assistance of his association. The use made of this procedure is greater in those parts of the country where large building projects are in progress. For example an average of about 25 cases each year between 1962 and 1965 were dealt with by Commissions in the London Region, whereas in the North Western Region (which excludes Liverpool) the yearly average is about 10 cases and shows a tendency to fall. In both areas the number is about the same as the cases referred to Conciliation Panels for interpretation of the Working Rules. Association officials do not consider that the number of cases occurring is high in relation to the volume of building activity, and they are generally satisfied that the assistance offered by the procedure effectively limits the loss of working time through stoppages.

215. The only other direct action by associations to assist members affected by a strike is the operation of indemnity funds, for example, by the engineering employers and the electrical contractors. Contributions to these funds are made by all members, and payments may be claimed under certain conditions when production is interrupted by a strike. The funds can be regarded as a form of insurance against the effects of a strike, but they do not compensate the member for loss of profits or loss of orders, which may be the most serious effects.

216. In general, it is recognised by association officials that their most effective contribution towards the prevention of strikes must be made through indirect methods aimed at improving the state of industrial relations in the industry. Some seem to rely entirely on the effect of action taken to provide a procedure for dealing with grievances, but others have seen also the possibility of assisting individual members by the development of management education in labour relations techniques.

#### CONTACTS WITH TRADE UNION OFFICIALS

217. All of the activities described in the preceding paragraphs involve the employers' associations in direct contact with officials of trade unions, and a close working relationship has been built up, both formal and informal. The level of contact tends to follow a well-defined pattern; the officials of national employers' federations deal with national officers or executive members of trade unions, and local association officials deal with the district secretaries or, in some unions, district delegates. The pattern seems to have developed from the nature of the problems likely to be discussed at national and local level and is not rigid. In shipbuilding, for example, it is quite common for contacts to be maintained by local association officials with the national officers of some unions, and in the national associations with a centralised organisation contacts are made as appropriate at all levels.

218. The number of unions dealt with varies considerably. The National Federated Electrical Association and the multiple retailers' associations each deal with only one union, while the Engineering Employers' Federation deals with 35 different unions, most of whom are affiliated to the Confederation.

tion of Shipbuilding and Engineering Unions and which include unions representing technical, supervisory and clerical staff. At local level the actual number of union officials with whom contact is maintained can be very much greater, since, although regular dealings may be limited to a smaller number of unions, it is necessary to establish a relationship with all the district secretaries of each union in the area. For instance, the staff of the engineering and shipbuilding associations on the North East Coast maintain contact with approximately 50 trade union officials of 15 different unions. The maintenance of this number of contacts is necessary because matters affecting individual unions are discussed with the unions involved directly, and only joint negotiations, such as national wage negotiations, are dealt with by the unions jointly acting through the Confederation of Shipbuilding and Engineering Unions. A similar situation exists in the printing industry, except that the number of unions included in the Printing and Kindred Trades Federation is much smaller.

219. In the building and civil engineering industries, however, although relations exist with several individual unions, the normal contact at both national and local level is channelled through one trade union official. In the civil engineering industry this official is the Operatives' Secretary of the Conciliation Board, who is also the representative of the Transport and General Workers' Union, the union which has the biggest influence in the industry. In the building industry the main contact is through the national, regional, or local official of the National Federation of Building Trades Operatives. This channelling of contact through one official means that he is informed of all matters under discussion with any union. It does not prevent direct discussion with individual union officials following the initial contact.

220. In some industries, notably engineering and shipbuilding, the associations tend to act as a buffer between the individual firm and the full-time officials of the trade union. The employer negotiates alone with the representatives of his own workers, shop stewards for example, but it is understood that if the trade union official is brought into the discussion the association official will also be involved. Admittedly this does not prevent all direct contact. Employers can if they wish, discuss matters informally with a full-time official. This practice seems to be based on the belief that if a domestic matter cannot be settled between an employer and his own workers it ceases to be purely domestic and is likely to have ramifications affecting other employers and workers in the area. It also reflects an attitude towards the trade union official as an expert adviser who may be called in by the workers to present their case, in the way that a plaintiff in a legal action might engage the services of a lawyer; to balance this the employer also needs expert assistance and he gets this from his association. While this approach has no doubt contributed to the influence of employers' organisations over their members in these industries, it has also of course had the unintended effect of increasing the importance of the shop stewards relative to the full-time official of the trade union, who can only be called upon to negotiate when the steward has failed to get satisfaction from the employer. The multiple retailers' associations adopt a similar line with regard to wage claims, but accept that a union official may act as advocate for the individual worker in making representations to an employer about

matters other than those contained in a national agreement. In the building and civil engineering industries this pattern is followed in matters relating to the interpretation of Working Rules, but trade union officials may be involved in site negotiations on bonus targets without involving the association. In practice, however, it is thought that most of these negotiations are conducted between employers and stewards, or directly with employees.

#### ADVICE AND ASSISTANCE TO MANAGEMENT

221. Although the major effort of employers' associations' staff in their industrial relations activities is directed towards the negotiation of agreements and the settling of disputes in conjunction with trade union officials, there is present in all of those visited an element in their service to members in which they act as consultants about individual problems. The assistance generally offered consists in the main of advice given in answer to telephone enquiries, based on the experience of the association staff in handling disputes in the industry. Indeed, this aspect of the service can be regarded as an extension of the dispute handling service, since the advice given may often help to prevent the development of an incipient dispute.

222. Some associations are, however, developing a service with the more general aim of improving the quality of industrial relations in the workplace. The need for such a service arises from the recognition that the origin of disputes lies not only in the matters under dispute, but also in the way the management function is exercised in individual firms or departments. The service is therefore designed to assist members who wish to improve the quality of management in their own firms, and to foster the development of good labour relations or to remove underlying causes of bad relations.

223. The most common form of assistance is the sponsoring or provision of management education courses, particularly at the supervisory level. Smaller associations tend to co-operate with educational institutions in the running of such courses, but larger associations with more resources are able to organise and provide courses themselves.

224. The Clyde Shipbuilders' Association for example, which has only some twenty members, arranged some six years ago for a supervisor's training course to be run by Strathclyde University especially for the shipbuilding industry. The experience of running this course indicated that it was not desirable to organise such courses specifically for one industry, and the experiment has not developed along these lines. The Association's activities in this field are now limited to circularising members about general courses available in the area.

225. The London Region of the NFBTE, with a membership of 1,200, has a wider range of activities including both the provision of courses and the support of externally run courses. Its own courses are again for supervisors, and consist of residential training for one week for thirty students at a time. Five or six such courses have been provided each year during the past three years. It has also organised mock disputes panels as a form of training for supervisory staff, in which examples of bad management practice are used to indicate how disputes can arise. The support of externally organised

courses includes not only the circulation of information to members about courses, but also the provision of speakers and consultation about the content of the courses with the needs of the industry in mind.

226. In the printing industry similar activities are undertaken centrally by the British Federation of Master Printers, although Regional Alliances also play some part, and the Federation of Civil Engineering Contractors sponsors courses in civil engineering management. The National Federated Electrical Association has run two-week sandwich courses in site management since 1965, and also sponsors part-time courses at Battersea College of Commerce. In the engineering associations activities of this kind are of fairly recent origin, but in the Coventry Association a start has been made and rapid development is expected.

227. Where associations have provided courses themselves, the demand for places has been high and many courses have been oversubscribed. Activities of this kind have grown in recent years and further growth seems likely to be stimulated by the operations of Industrial Training Boards.

228. There are some indications that assistance tailored to the needs of individual firms may be developing in the form of a specialist management consultancy service in one or two cases. Some associations already offer this kind of service in the "trade" field, for example the British Federation of Master Printers' cost accountancy service (see paragraph 278(c)). In the industrial relations field nothing on this scale yet exists in any of the associations visited, but some of the activities of association staff tend in this direction.

229. The South Western Master Printers Alliance arranges programmes of visits to member firms which provide the opportunity for general discussion of management policies; labour relations officers of the National Federated Electrical Association visit sites from time to time to discuss general problems of individual members; the Director of the Coventry Engineering Employers' Association has perhaps moved a little further along this road by arranging meetings with employers who have a rash of strikes or similar industrial relations difficulties, with the intention of jointly examining the basic problems being faced by the employer.

230. These activities do not yet constitute a specialised consultancy service, which might offer recommendations on the reconstruction of a firm's management or the overhaul of its methods. They are, however, enough to indicate the possibility of a growth of such services even though it is too early to see how far they might develop as supplements or alternatives to the services of independent consultants.

231. It should be mentioned that some of the associations included in the survey undertake no activities in this field, notably the smaller Associations and the Multiple Shops Federation. It is by no means clear that employers in all industries would accept that there is a need for activities of this nature, or that, if so, they should be undertaken through their association. Further development of these services can therefore be expected to occur in localised areas or industries rather than generally across the board.

## CHAPTER IV

### MAIN ACTIVITIES OTHER THAN INDUSTRIAL RELATIONS

232. This chapter summarises the main services provided by the associations included in the survey other than those concerned with industrial relations indicating significant variations in scale and content as between industries and between national and local organisations in the same industry. The relative importance of each service is also shown and current tendencies towards growth or decline.

233. The activities discussed in this Chapter are grouped as follows:

- (a) The representation of employers' interests to Government and other bodies.
- (b) The provision of information services.
- (c) The collection of information and statistics.
- (d) Assistance in manpower matters, such as the efficient use of manpower, labour supply and demand, recruitment and selection, education and training, and safety, health and welfare.
- (e) Assistance in trade and commercial matters.
- (f) Social activities.

### REPRESENTATION TO GOVERNMENT

234. All of the national organisations regard the representation of members' views to Government as an important and growing part of their function. The general importance arises from the fact that much legislation has a direct bearing on industrial affairs, and associations take very seriously their responsibility to seek amendments to existing or proposed legislation which would have a harmful effect on their members, or to improve the practical execution of the Government's intentions. The growth in importance of this function results from the recent increase in the areas of activity covered by legislation particularly in the labour field represented by the Industrial Training Act, the Contracts of Employment Act, and the Redundancy Payments Act among others.

235. The role of the associations is not however confined to that of a watchdog. The associations have also become the means by which industry co-operates with Government to achieve the goals of national economic policy, and this aspect has also grown in recent years with the development of economic planning and the formation of Economic Development Committees for different industries. It also exists in a number of departmental committees, usually those of the Ministry of Public Buildings and Works and the Ministry of Labour.

236. This activity is important not only as a means of bringing the experience of industry to bear on Government thinking, but also because of its effect on the relationship of associations with their own members. The process

of representing the industry involves not only the collection of facts and opinions from members, making the association better informed about the industry than individual members ; it also puts the association in the position of adviser and guide to members on the interpretation of Government policy and legislation. Members expect their association to be able to answer their questions about the meaning of legislation and also, in effect, to tell them what they ought to do in particular circumstances. The legislation on prices and incomes policy is a good example of this. Associations dealt with a great number of enquiries from their members when the "wage freeze" was announced in July 1966, and many of these enquiries asked for guidance on the action they should take, for instance whether annual review of salaries of managerial staff should or should not be carried out before 1st January 1967. The value to employers of having a sympathetic source of information is obvious. It is also interesting to note how this increases the influence of the association over its members. Most association officials are confident that the advice they give is acted upon.

237. The representational function also embraces the representing of the views of the industry to the general public and both national and local associations exercise public relations functions.

### INFORMATION SERVICES

238. The provision of information to members is an important function of all the associations whether national or local. There is however some variation in the way the job is tackled and in the range of subjects covered.

239. Some of the smaller local associations fulfil this function almost entirely by word of mouth, through meetings of members (supplemented by the circulation of minutes of those meetings) and by answering individual enquiries made by members. The Clyde Shipbuilders' Association for example, which has a homogeneous membership of under two dozen firms, relies heavily on these means of communication with its members. Moreover, this association, like others in shipbuilding and engineering, is concerned only with labour matters, and its members' trade and commercial interests are catered for by the Shipbuilding Conference or the Repairs Central Conference. The association, while it may deal with individual problems of this nature at the request of members, does not have the responsibility to keep its members informed of general developments outside the labour field.

240. The London Region of the National Federation of Building Trades Employers, on the other hand, which has more than 1,000 members of varying size and activity, has built up a more complex structure of information services embracing not only the holding of meetings and the provision of an enquiry service, but also the publication of regular bulletins and occasional papers. The bulletins include monthly circulars intended to keep members up to date with topical information and a two-monthly publication, the LMBA News, which contains longer articles and comment as well as news items. The occasional papers are more specialised and deal with particular subjects such as apprenticeship or technical building matters, on which leaflets and booklets are prepared by association staff and made available to members.

241. Associations which circularise information to members usually cover such subjects as legislation, the progress of wage negotiations, and reports on the activities of the association. Some go a stage further and act to some extent as a clearing house of information between members. The Coventry Engineering Employers' Association for instance circularises its members with detailed information about earnings levels in the locality obtained by the collection and analysis of information provided by the individual members themselves.

242. The variation in the method of approach of different associations appears to be mainly indicative of the different circumstances of their members rather than of differing attitudes to the importance of the function of keeping members informed, to which all the officials interviewed gave more or less equal prominence. Officials of several associations were clearly concerned with the efficiency of their lines of communication and were keeping the problems involved under regular review to try to ensure that their members' needs were satisfied. The effectiveness of particular methods of communication is always difficult to assess, but the associations visited were clearly aware of the problems and attempting to find their own solution. The importance of this function seems likely to be maintained.

### COLLECTION OF INFORMATION

243. As a subsidiary activity supporting a number of their functions, employers' associations act as collectors and repositories of information about their industries or localities. The extent to which this activity is engaged in depends on a number of factors including:

- (a) the extent to which the association attempts to decide policy for the industry ;
- (b) the demand by members for particular types of information ;
- (c) the need for factual information to support a case—e.g. for representation to Government about the state of trade, or negotiations with a trade union on wages ;
- (d) the readiness of members to supply information.

244. Since the attitudes of these associations and the circumstances of their industries are by no means identical, it is to be expected that their activities in this field will be diverse. There are however some common features. Firstly, all association officials seem to be conscious that every request for information addressed to a member firm will involve that member in unproductive work, and that requests have to be kept to a minimum and serve a clearly useful purpose from the members' point of view. Secondly, perhaps partly for this reason, the collection of information is still generally an *ad hoc* matter—to obtain information required for a particular purpose—rather than a tool of management involving regular collection and assessment of trends. However, some regular collection of statistics takes place, for example, the Quarterly State of Trade Inquiry in the building industry. Indeed many of the inquiries undertaken, particularly by local associations, are carried out by telephone at short notice in order to answer a member's query or

to provide background to a matter being raised in committee. For example, an association official may telephone a selection of member firms to find out their practice concerning payment of wages during sickness absence, because a member has asked for advice on this point.

245. Some *ad hoc* inquiries are however much more ambitious and wide ranging, and require much more careful preparation. For instance the Engineering Employers' Federation has been preparing for some months an inquiry into wage drift in the industry to provide basic information for policy making. The launching of the inquiry has involved the execution of a pilot survey, and the main inquiry will span a period of twelve months commencing at the beginning of 1967. Other national associations such as the British Federation of Master Printers also carry out earnings inquiries when negotiations are in progress on national wage rates so that the employers' negotiating team can be provided with relevant data.

246. There are some indications of growth in this activity in some industries. The Engineering Employers' Federation has decided to expand its Statistical Department and to appoint a Research Director. Mention has already been made of the inquiries carried out by Coventry Engineering Employers' Association to provide information for its own members. The information is collected and distributed regularly and is available to the association for other purposes, in particular to indicate trends in different occupations or branches of the industry, and to identify incipient problems which might require a change of policy or some other action. This use of statistics by the Coventry Engineering Employers' Association is not typical however. Associations using statistics as a tool for measuring movements and influencing policy seem generally to rely on information available from other sources than that of direct inquiry of their members. The sources most frequently used are the Ministry of Labour for manpower and earnings statistics, and the Board of Trade and the Ministry of Public Building and Works for information about the state of trade. The Federation of Civil Engineering Contractors relies heavily on these sources and would regard it as undesirable to extend the scope of its own inquiries, because it is felt that the collection of information should be centralised and the results made available for all interested bodies, instead of each body approaching employers for information for its own use, to avoid overlapping and duplication of effort.

#### ASSISTANCE IN MANPOWER MATTERS

247. All of the associations included in the survey regard matters relating to the organisation and use of manpower as falling within their sphere of interest. There is however a considerable variation between the associations in the degree of involvement in these matters and in the nature of assistance offered.

248. Subjects covered to a greater or lesser extent include the efficient use of manpower, labour supply and demand, recruitment and selection, education and training, and safety, health and welfare. Although dealt with as a whole in this section of this study, it is important to point out that the services offered by each association do not form part of an overall interest in manpower matters. Each association has developed those aspects of manpower services for which a demand has arisen at some time from its members.

249. The number and kind of workers required by individual members and the way in which each employer organises his workers in the operation of his business are matters regarded by the employers' associations as managerial decisions on which members are free to make up their own minds. The demand from members for their associations to act for the industry as a whole to determine policy for the improvement of productivity in the industry, to advise on manpower utilisation, to develop machinery to assess the effect of technological change on job requirements and to make plans for the future, has arisen because employers individually have encountered problems in achieving the changes they want to make in their own firms or have been faced with requests from unions to make changes. Those problems affecting the industry generally have involved the associations coming to decisions about changes required in the industry as a whole, and seeking the best means of achieving these changes. For these reasons the degree of activity of different associations varies according to the extent that their members have needed to make changes and have encountered problems in doing so, and the aspects of manpower structure and organisation which are dealt with in different associations vary according to the nature of the industry.

250. *Shipbuilding* : In the shipbuilding industry the kind of problems which have arisen are associated with the craft structure and in particular demarcation between the work of different craftsmen, and the extent to which craftsmen in one trade can be used to perform operations commonly performed by craftsmen in other trades. In the face of opposition from the trade unions concerned to the changes desired by the employers, the Shipbuilding Employers' Federation set up a committee to examine the structure of the industry and to recommend a structure suited to current needs. Negotiations at national level with the trade unions failed to reach agreement, and changes in working practices are again being sought piecemeal at yard level or in some cases at district level by local associations, through local productivity agreements. The role of the national Federation is now therefore to advise and support members instead of negotiating changes on behalf of the industry.

251. *Printing* : The problems arising in the printing industry similarly relate to craft structure, but also involve demarcation between craft and non-craft workers particularly in relation to the manning of machines. Negotiations at national level on these matters not having achieved adequate results a Joint Manpower Committee was set up with the trade unions, and at the suggestion of the Prices and Incomes Board was provided with an independent Chairman. The Committee has wide terms of reference to examine manpower needs and the efficiency of working practices in the industry. In order that the deliberations of the Joint Committee should be meaningful, inevitably it will fall mainly to the Federation to consider on behalf of its members what methods of utilisation of manpower are most suited to the requirements of the industry as a whole. It seems likely therefore that the involvement of the Federation in the examination of manpower structure and organisation will be increased as a result of the establishment of the Committee.

252. *Civil Engineering.* In the civil engineering industry the manpower structure is quite different in that craftsmen constitute a small proportion of the labour force (about 12 per cent), and effective utilisation of manpower depends on high mechanisation and the mobility of labour between different types of work (involving retraining) as well as mobility from site to site. The Federation of Civil Engineering Contractors is concerned with the wage implications of the introduction of new processes and new types of plant and equipment, but questions about "who does what" are usually decided at site level. Although an agreement has recently been negotiated to allow the use of non-craft labour in place of skilled craftsmen for concrete formwork carpentry, the industry as a whole is not often faced with problems arising from restrictions on manpower utilisation that cannot be dealt with by individual members, and the Federation is therefore less concerned with these matters than with labour supply problems and training.

253. Because of the characteristics of the industry, particularly its susceptibility to changes in demand, stability of employment both of contractors and the labour force is a continuing problem which has engaged the Federation's attention for a long time. The basic remedy upon which the Federation has concentrated is avoidance of violent demand fluctuations (see paragraph 261). The trade unions however seek greater security of employment, and discussions on the subject have been taking place through the industry's Economic Development Committee.

254. *Building:* The craft structure in the building industry is regarded by the National Federation of Building Trades Employers as being in need of revision because of the introduction of new techniques. Concern is felt particularly about the use of skilled craftsmen for work which does not demand the full exercise of their skill. The Federation decided four years ago to tackle this problem by sponsoring research in conjunction with the trade unions into the skill requirements of different jobs, and it is hoped that out of this research a factual basis will emerge for negotiation of a new structure.<sup>1</sup> The activity of the Federation in these matters therefore seems likely to grow.

255. *Electrical Contracting:* The interest of the National Federated Electrical Association in manpower structure has arisen not so much because of the problems encountered by individual firms, but as a necessary corollary to its wages policy, which does not allow deviations from the national rate, combined with the fact that electrical contracting is a labour intensive activity and labour costs represent a high proportion of total cost of the contract. Improvements in productivity and use of labour have therefore been sought by the Association rather than by individual employers as a means of controlling costs.

256. The most recent agreement with the ETU provides for the establishment of a new craft structure involving the grading of electricians and the abolition of the job of electrician's mate. A new structure will be introduced and operated by a Joint Industry Board consisting of an equal number of employers and trade union representatives under an independent

<sup>1</sup> The results of this research were published by HMSO in June 1966—*Building Operatives' Work*.

Chairman. The Board also intends to introduce a registration system and an Employment Pool for contractors working on larger sites to contribute towards stability of employment.

257. *Engineering*: In the engineering industry, which covers a wide range of industrial activity, the planning and execution of changes in manpower structure and working practices have been carried out by individual firms according to their own needs. Developments such as the introduction of automatic machine tools involving changes in the proportion of craftsmen and operatives in the labour force have not been part of an overall policy for the industry determined centrally, but have arisen out of the circumstances of particular sectors of the industry and of individual firms.

258. Some of the local associations have become involved indirectly in measures undertaken to improve the efficiency of the labour force because of the wage implications of, for example, the introduction of shift work or piece work. In particular, problems have arisen for individual firms in relating piece work prices to measurement of output, resulting in the need to train staff in work study. The West of England Engineering Employers' Association runs a work study school to meet this need and employers in membership of other federated associations are also able to use its facilities. It seems probable that the development of this kind of assistance will become a feature of the activities of other local associations, such as the Coventry Engineering Employers' Association.

259. During 1966 the Federation and the local associations have been collecting information to identify ways in which productive resources, including manpower, might be used more efficiently in the industry, and it is expected that this will enable guidance to be given to members on the action they might take in their own companies. Although the trade unions are undertaking a similar review in parallel with the Federation, it is unlikely that national negotiations on changes in working practices will become more common in the industry. Most matters will probably continue to be dealt with by individual employers, apart from cases arising through procedure where agreement has not been reached between an employer and his own workers. The part played by the employers' organisations in this industry consists of stimulating the consideration of problems and providing support on request.

#### LABOUR SUPPLY AND DEMAND

260. Consideration of these problems includes the discussion of action necessary to overcome shortages of particular types of labour. The activities of associations in this field are closely bound up with their relations with Government bodies such as industrial Economic Development Committees, and participation in these bodies and co-operation in the preparation of the national plan have stimulated consideration not only of existing problems of supply but the likely future needs of the industry for manpower.

261. An example of the activities of associations in this field is the consideration by the Federation of Civil Engineering Contractors of the problem of work programming in relation to the overall availability of manpower in the industry. Unplanned timing of contracts can result in

temporary surpluses of particular types of labour because of gaps of time between contracts, and the development of unnecessary shortages because of similar contracts commencing at the same time. Because of the volume of Government financed contracts, action to deal with this problem involved representation of the employers' views to Government.

262. Not all of the associations have the same degree of interest in this subject as the Civil Engineering Contractors, and some are not concerned at all except in the collection of statistics of manpower employed and available for employment and unfilled vacancies which might be used in connection with wage negotiation.

#### RECRUITMENT AND SELECTION

263. Only the associations in the printing industry offer a service to their members in connection with the recruitment and selection of employees. The service offered is restricted to the recruitment and selection of apprentices, and involves the establishment of minimum standards of entry, the examining of applicants, and the selection of those suitable for training in the industry. Since apprenticeship is the normal method of entry into the industry, the joint action of employers through the association effectively controls the standard of entrance to skilled work in the industry.

264. The only concern of other associations in this field is the operation of "no poaching agreements" designed to prevent the attraction of employees away from member firms by other members. The purpose of these agreements is twofold : to prevent embarrassment to the member who loses his employees, and to discourage a situation where members might bid against each other for the services of scarce grades of labour. These agreements do not seem to be effective in achieving these objects, partly because some mobility of labour between firms in an industry is a desirable and necessary thing. However, the existence of the agreements does seem to prevent the most blatant forms of "poaching", by prohibiting the inclusion of wage rates in advertisements.

#### EDUCATION AND TRAINING

265. All of the associations visited are concerned to some extent with questions of training for the industry, primarily the training of apprentices but covering also in some cases operatives, supervisors and management. Activities cover such matters as the establishment of common standards of training, assistance in the establishment of group training schemes for apprentices, and the sponsoring or encouragement of specific training courses, e.g. for supervisors and managers, or of associated educational courses and block release schemes for apprentices. In the building industry and in electrical contracting the associations also administer a scheme for the registration of apprentices.

266. A number of the associations have appointed specialist officials to carry out these activities and others have sponsored the appointment of group training officers to advise members on their own particular training problems. The British Federation of Master Printers also sponsors a Young Master Printers' Movement whose general object is the training of future managers in management techniques. However, the scale of activities of

some other associations, notably the shipbuilding associations and the Multiple Shops Federation, were not great enough to justify the appointment of designated staff.

267. There is some evidence that the scale of activities in this field is growing in at least some industries, possibly as the result of the creation of Industrial Training Boards. Some of the appointments of Training Officers have been made quite recently and employers have turned to their associations for advice and guidance about the operation of the Training Boards particularly in relation to the levy and grant system.

#### SAFETY, HEALTH AND WELFARE

268. The associations serving the building, civil engineering, printing, engineering and shipbuilding industries are concerned with problems relating to the establishment of safe working practices and the prevention of accidents.

269. At national level the Shipbuilding Employers' Federation is primarily concerned with the formulation of views to the Ministry of Labour on proposed regulations under the Factories Acts and the issue of recommendations to members on safety and health. At local level the associations on the Clyde and Tyne/Tees arrange meetings of shipyard and safety officers to discuss common problems with the District Inspector of Factories. Similar action is taken by local engineering associations and the National Federation has recently appointed a Safety Officer.

270. The National Federation of Building Trades Employers has a similar interest and recently appointed a senior official responsible for accident prevention work. The London Region employs a Safety Advisory Officer who advises individual members about their problems and organises training courses in safety for all grades of employees. The smaller associations stimulate the formation of Safety Groups, which may appoint an officer to advise them.

271. The Federation of Civil Engineering Contractors has a Safety Committee and a joint committee with the trade unions. Most of its activities are directed towards publicising hazards and the encouragement of safe working practices. Films, posters and publications have been produced and made available to members. Safety training courses also are held at different centres throughout the country.

272. The British Federation of Master Printers deals with inquiries from members about the requirements of the Factories Acts and publishes leaflets in conjunction with the National Joint Council for the industry. The activities of other associations in this field are not significant, although there are indications that they are growing.

273. The welfare of employees is not an aspect of employment with which associations are normally involved except in so far as conditions of work are the subject of negotiation with trade unions. However, because of the mobility of labour in the construction industries the associations concerned provide a service to their members and to other employers in the industry by administering holiday payments schemes and sickness benefits. These are organised by joint bodies, one for building and civil engineering and one for electrical contracting, on which the trade unions are also represented.

274. It should perhaps be emphasised that the activities of employers' associations described in this section frequently involve negotiations with trade unions to achieve agreed action, and such negotiations in some cases take place within formal negotiating machinery and lead to formal agreements, for example on apprentice intake or training standards.

### ASSISTANCE IN TRADE AND COMMERCIAL MATTERS

275. Since this survey was intended to examine the activities of associations on behalf of their members in their capacity of employers of labour rather than as manufacturers of goods or providers of services, the activities of the associations in the trade and commercial field have not been analysed in detail. It is important to stress however that those associations included in the survey who cater for the whole range of their members' interests spend at least as much time and energy on the provision of services in the trade and commercial field as they do on manpower and industrial relations matters. In some other associations not included in the survey, for example, the Cement Makers' Federation and the British Hotels and Restaurants Association, it is known that the trading and commercial activities are paramount. Moreover the distinction between trade and labour matters in these associations is not a rigid one and interests can merge and be indistinguishable from each other in such activities as representation and information services.

276. The services included in this category tend to be centralised at the national level even in those industries like building and printing which have a number of local associations affiliated to a national federation. It seems likely therefore that a strong local organisation is less important for dealing with these matters than it is for dealing with industrial relations.

277. The particular services offered in this field vary between associations according to the nature of the business interests of the members. Since all the "trade" associations visited except the Multiple Shops Federation and the smaller associations in miscellaneous industries organise contractors, all except these provide information, advice and assistance in the negotiation of terms of contract. In the case of the builders and printers this service includes general legal advice. Other matters included are the preparation of model forms of contract, representation of members' interests generally with professional bodies and with local authorities and other bodies putting out contracts, and the taking up of individual cases where difficulty arises. The members of the Multiple Shops Federation, who are not concerned with contracting, have common problems in connection with the opening and extension of shop premises in town centres and the Federation provides an advisory service to assist members in dealing with planning authorities.

278. Other activities include:

- (a) the stimulation or sponsoring of research into technical processes.  
(The builders and the civil engineers give financial support to research establishments);
- (b) the provision of a technical advisory service covering advice on new materials and equipment, and information about suppliers;

(c) advice on business management. For example, the British Federation of Master Printers issues a guide to cost rates, and offers the services of its own staff of professionally qualified accountants to advise on the installation of a sound costing system. The Building Advisory Service of the NFBTE offers a consultancy service in similar management problems;

(d) miscellaneous benefits including insurance at favourable premiums.

279. The use of these services by members tends to be greater among the smaller and medium sized employers than among large employers who can usually employ their own specialists to deal with these matters except perhaps in the research field.

#### SOCIAL ACTIVITIES

280. All of the associations particularly at local level include in their functions the arrangement of social activities. Although they are not held very frequently such activities are thought to foster a sense of identity among members.

## CHAPTER V

### INTERNAL ADMINISTRATION

#### MANAGEMENT STRUCTURE

281. The structure of management of all the associations visited follows a broadly similar pattern with minor variations to suit individual circumstances. It is a representative structure in which power to act is delegated to elected individuals from the ranks of the membership. In the smallest associations covering a small geographical area the affairs of the association can be dealt with at meetings of the whole membership, and it is necessary only to elect office bearers, usually a President or Chairman, a Vice-President and a Treasurer. Where no officials are employed a member may also be elected to the post of Honorary Secretary, as in the local printing associations in the South West. With increasing size a more complex structure develops, starting with the election of a General Council to determine policy, an Executive Committee to support the office bearers, and then to the formation of standing committees concerned with particular functions of the organisation, such as industrial relations, education and training, contracts, etc.

282. The centrally organised national associations make arrangements to ensure that each branch or regional area is represented on the national council and committee structure, and usually the representation is proportionate to the membership strength of the branch. National federations of local associations make similar arrangements to obtain proportionate representation of the constituent associations on the General Council or policy forming body. With regard to the composition of standing committees, however, the practice varies. In some cases, as for example in the British Federation of Master Printers, the majority of these committees are composed in the main of directly elected members from each of the constituent organisations; in others, such as the Engineering Employers' Federation, the committees are appointed by the Management Board usually from among its own membership. In spite of this difference in constitution, the committees generally perform the same kind of function, namely to advise the Council on particular aspects of policy, and their authority is derived from the Council. The committees are, however, not purely advisory since they constitute or appoint the negotiating teams of the organisation concerned and are therefore given the power to act within a general mandate.

#### EXTENT OF MEMBERSHIP PARTICIPATION

283. The structure of management rests on the principle that control is ultimately vested in the membership, and the simple arrangements of the smallest associations for the whole membership to meet together and agree on a common policy are reflected in the more complex representational structure of the larger organisations. Adequate representation, however, depends

in practice on the availability of good representatives and the maintenance of good communications between the representatives and the people who appointed them.

284. Although members of a particular association share common interests, they inevitably also have their own individual interests, if only because of the variations in scale and type of operations of the employers in membership. Associations may include among their members employers of several thousand workers and others who employ less than five, and any one member is not therefore necessarily typical of all the others. While members remain perfectly free to make their own decisions on who should represent them, efforts are therefore made to ensure that management bodies provide a reasonable cross section of membership and prevent them becoming for example packed with small employers or over-weighted in favour of large employers. This is frequently done by limited use of powers of co-option, but in some cases it is sought by the creation of special bodies within the organisation.

285. The London Region of the National Federation of Building Trades Employers, which has among its members a number of large contractors who undertake work in any part of the country, has formed a National Contractors' Group so that the particular interests of these members can be represented other than piece-meal through different local associations. The British Federation of Master Printers, which has members in various branches of printing, has set up sectional committees concerned for example with book production, periodical printing, stationery, etc. The Engineering Employers' Federation, which contains diversity both of size and operations, relies on the practice of co-option to the Management Board for the expression of the interests of large national employers, but has sectional committees for some groups of employers with special interests, notably constructional engineering employers engaged on site erection work.

286. There is some tendency for representatives, other than office-bearers, once elected to remain in office in spite of the fact that terms of office between elections are normally for only one or two years. As is common in voluntary organisations, not all members are ready to accept the duties of office, and those who show themselves ready to do so are frequently re-elected. Difficulties are experienced in persuading both small employers and the chief executives of large firms to spare the time for association work, and some associations have found it necessary to stipulate that the representatives of firms should be actively concerned in the management of the business. A degree of continuity of management is consciously sought by, for example, the staggering of elections to Council so that only a proportion can be replaced at any one election. In general, association officials consider that a reasonable balance is maintained between continuity and the infusion of new blood.

287. The maintenance of communications between the members and their representatives, with the aim of enabling representatives to be informed of the views of their fellow members, is in many cases built into a pattern of regular meetings tailored into one another so that successive representatives can be briefed. For example, the district associations of the London Master Printers' Association hold monthly meetings of members timed to precede the

meetings of the Council of the Association, and this Council meeting similarly precedes the meetings of Federation Council; in this way a continuous process of consultation can be achieved. Other associations use similar methods though few of them arrange meetings of the whole membership with such frequency. Alternative methods of consultation are also used in varying degrees. The Engineering Employers' Federation, which relies less than the printers on continuous briefing, frequently consults associations by means of questionnaires on aspects of policy being considered at national level, and the associations take what action they consider necessary to obtain the views of individual members, whether by the calling of meetings or circulation of the membership.

288. Whatever method of consultation is employed, the common aim is to obtain a consensus of opinion rather than to take a vote. The policy has to be generally acceptable and simple majority voting can produce a substantial minority in opposition. The process of consultation therefore tends to involve the moulding and modification of views until they are acceptable as widely as possible. Voting by the membership is, however, sometimes used to obtain a direct expression of views on important issues. The National Federated Electrical Association arranged a series of Regional Conferences of members before the crucial decision was taken to adopt a policy of uniform wage rates and took a vote on the issue. In the engineering associations voting by the membership is resorted to on national wage claims. Members' votes are weighted in relation to their wage roll so that the result reflects the importance of the decision to each member, and those employing two or three workers have less influence on the result than those employing several hundred. The result of the voting is reported to the Federation Management Board which takes the decision in the light of the support or opposition to the action proposed.

#### AUTONOMY OF LOCAL ASSOCIATIONS

289. The autonomy of local associations within a federation does not result in a management structure or processes of consultation substantially different from the national associations composed of non-autonomous branches. National policies are formulated, agreed and implemented in much the same way in both types of organisation, and indeed it might be thought that the difference in organisation is not very important. In one respect, however, autonomy seems to have a noticeable effect and that is in the encouragement of local attitudes to local problems, which may be expressed in the taking of local initiatives.

290. The differences between local associations, in the engineering and shipbuilding industries particularly, seem to consist primarily in the kind of action they take independently and in the importance they attach to local as against national policies. For instance, the Clyde Shipbuilders' Association's approach to local district wage negotiations is quite different from that of the Tyne Shipbuilders' Association although both participate equally in the national wage bargaining machinery. Again, the resources of the Coventry and District Engineering Employers' Association may be directed towards the development of an advisory service on work study without agreement at national level that all associations will take similar action. On the other hand, the branches of national associations, such as the Federation of Civil

Engineering Contractors, do not normally act independently of national policy at least in the industrial relations field. Some association officials have also suggested that local associations help to preserve a sense of identity among the membership, but it is difficult to believe that this has much importance unless the separate identity leads to independent action.

## EMPLOYMENT OF PERMANENT STAFF

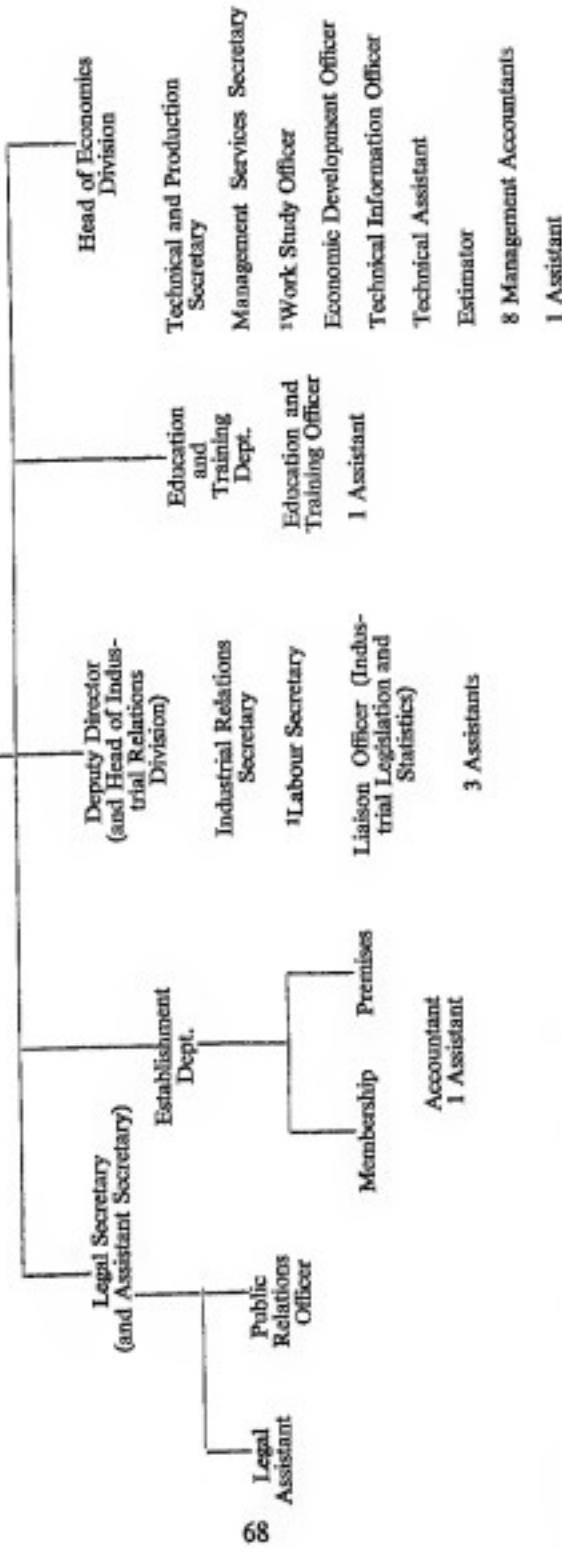
291. All of the organisations in the survey employ permanent staff except the smaller associations in miscellaneous industries which use the services of a firm of chartered accountants. The use of chartered accountants or firms of solicitors is still quite common among small associations in the building industry and elsewhere. However, the National Federation of Building Trades Employers is at present carrying through a reorganisation of local associations into Areas, so that a full-time secretary can be provided to serve all of the associations within each Area. The Regions have drawn up their own plans for this exercise and some have proceeded further with it than others. The North-Western Region has so far appointed 7 Area Secretaries and expects to appoint a further 2 to bring the remaining associations into the new scheme. The London Region and some other Regions in the South of the country are already organised in this way.

292. The need for permanent staff arises quite obviously from decisions to provide the services described in Chapter IV, and the number of staff employed by different associations naturally depends to some extent on the range of services provided and the volume of activity. Thus, those associations whose activities are increasing are also increasing the size of their staffs while others have the same number of staff now as they did 30 years ago and are doing virtually the same job. However, this does not adequately explain the function of permanent officials in these organisations, although it probably indicates the extent to which part-time services of professional firms will be used.

293. The small local associations employ only one official who is appointed Secretary. In some cases this official serves other associations in the same industry as is the case in the Bolton Area of the North-Western Regional Federation of Building Trades Employers which comprises 4 local associations. In others, he may be provided with an Assistant Secretary as in the Clyde Shipbuilders' Association and the South West Alliance of Master Printers. In these circumstances, the Secretary is the chief executive officer of the association and he is expected to advise the office bearers and committees on policy matters as well as to provide services to the membership. He can also exert a strong influence on the quality of communications between the local association and the regional and national federations.

294. In larger local associations and in national organisations the executive staff tends to be organised in "departments" with particular responsibilities and a pyramidal structure under the general control of a Director or in the case of the Engineering Employers' Federation of two Directors and a Director-General. An organisation chart of the staff of the British Federation of Master Printers is given on page 68 to illustrate a typical organisation of work. The departments are not usually closely defined and specialised, although there is some use of specially qualified men such as cost accountants, and the general atmosphere is of the job of the local Secretary shared among

BRITISH FEDERATION OF MASTER PRINTERS  
 ORGANISATION OF STAFF  
 Director (and Secretary)



many. Adaptability is more important than specialist knowledge, and officials specialise in particular activities according to the needs of the organisation in a similar way to the civil servant in a Government department.

295. The analogy of the civil service is also useful as a means of describing the relationship between the senior officials and the elected office bearers and committees of the associations. While actual decisions on policy are taken by the elected representatives, the formulation of alternatives, the examination of implications, and to some extent the selection of matters to be considered are the responsibility of the senior officials. The main advantages of employing permanent staff seem to lie in the availability of informed advice from men who are disinterested in the affairs of any particular member and who are able to provide continuity of experience.

296. The associations which have appointed a firm of accountants as their secretaries do not generally employ permanent staff directly. They do, however, have the services of several employees of the firm either full-time or part-time who act as officials of the associations. Some of these officials spend all of their time on the work of one association, some work for two or three different associations, and some spend only part of their time on association work of any kind. The firm of accountants visited provides services not only for the employers' associations included in the survey, but also for a number of trade associations which are not concerned with industrial relations matters. For some 30 associations in all there are available 20 partners and employees, excluding clerical and typing staff, of whom 10 spend all their time on association work and 10 spend some of their time on other work. There are also three direct employees of associations engaged for specialised work such as publicity.

#### RECRUITMENT

297. There is no obvious source of recruitment of association staff except of course from other associations. There is some movement between associations in different industries (for example the present Director of the National Federated Electrical Association joined the association after previous experience with the Association of British Chemical Manufacturers) and rather more movement within the federated associations. This kind of movement is encouraged as a means of broadening the experience of officials in the same way that vacancies for "heads of departments" in federations may be filled by men with experience in other departments. There is not yet an example of a common staff structure serving all affiliated associations in a federation, but there are strong indications that this is developing. In particular, the re-organisation in the National Federation of Building Trades Employers will have the result that all Area Secretaries serving a number of local associations will be members of a unified regional staff, and ultimately of a national staff structure.

298. Many senior officials have had long experience of association work, and a career structure is developing for the young entrant, but it would not be true to say that this is a self-sufficient field of employment comparable to banking or the civil service. There is some recruitment of school leavers and graduates for training, but this is not large enough to be regarded as

the normal entry and some Directors prefer to engage men in their late 20's or early 30's after they have obtained some experience in another field of employment.

299. Apart from the recruitment of professionally qualified accountants, lawyers and statisticians for specialised work, specialised experience or qualifications are not normally sought and the existing staff of associations have come from a wide variety of backgrounds, including production management, personnel and labour relations administration, local authority administration and the civil service, mainly Ministry of Labour. Although a number of senior officials have legal qualifications, legal training is not regarded as a necessary requirement, but indicates rather the type of mental and intellectual qualities which are regarded as important. Other officials have secretarial, accountancy or technical qualifications. Experience in industry, particularly in the management field, is considered to be a valuable background but there is some caution about recruiting from member firms, and specialised experience in labour relations is not necessarily an advantage. Some local associations used to recruit ex-trade union officials for specialised work on negotiations with trade unions, but this practice is no longer thought to be desirable.

300. In general, experience and qualifications are regarded as desirable rather than essential attributes of an applicant for employment; the essential thing is that he should be "the right man for the job" in terms of personal qualities and mental, physical and intellectual capacity.

#### TRAINING

301. Most of the existing staff of associations are self-taught and have learnt from experience. The training of staff still contains a large element of learning by doing, although some use is made of external facilities provided by the British Institute of Management, the Institute of Personnel Management and other similar organisations to supplement existing knowledge. In view of the fact that most officials work on their own or in small groups, it is not surprising that training is informal and that the individual often determines his own needs.

302. However, there is some growth of more formal direction of training, particularly where the size of the staff is increasing. For example, the Coventry and District Engineering Employers' Association which has 7 officials has recruited a cadet trainee who will be given planned experience in different aspects of work; and one of the Directors of the Engineering Employers' Federation has general responsibility for the planning of training of new entrants, which includes periods of secondment to affiliated associations and to the personnel departments of member firms. The Federation also offers assistance to its affiliated associations in the training of their own staff.

303. Some officials of smaller associations feel that the development of some common training with associations in other industries could be helpful, though this is seen as supplementary to the basic training in the particular conditions of its own industry which each association must do for itself. No instances were quoted of attempts to do this, but it is possible that a growth of more formal methods of training could lead to concerted action through the Confederation of British Industry.

## CHAPTER VI

### CONCLUSIONS

304. The evidence obtained in this survey leads to a number of conclusions about the way employers' organisations carry out their functions and the effect they have on the affairs of the industry they represent. In this Chapter attention is directed particularly to the questions posed in the Introduction relating to the following matters:

- (a) the reasons for the variation in the extent of activities between different organisations;
- (b) the effectiveness of employers' organisations as regulating instruments for the control of wages and conditions of employment in the context of a national incomes policy;
- (c) how they can help to achieve greater efficiency in the use of manpower;
- (d) their influence on the prevention of strikes;
- (e) significant trends in activities other than industrial relations;
- (f) the desirability of changes in organisation.

### VARIATION IN EXTENT OF ACTIVITIES

305. The evidence shows that employers' organisations have as many differences as similarities, particularly in relation to the range and extent of activities they perform, and in the emphasis given to different functions. None of the organisations visited is engaged in the whole range of activities described in Chapters III and IV of this report, although all do something under the main headings of industrial relations, representation of interests, information, manpower matters and where appropriate trade and commercial matters. The differences arise in what they do under these headings, and the relative importance of the different functions within the organisation.

306. Comparison between the organisations does not lead to the conclusion that this one is better than that, or that one measures up to an ideal more than another. The main common feature of the organisations is in their object of serving the interest of their members. The diversity of activities derives from the diversity of the industries they serve, and the different interests of one group of employers compared with another. It would not make sense to suggest for example that the multiple retailers should model their organisation on the Engineering Employers' Federation or vice versa, because the problems of running a retail business are so different from those of an engineering factory.

307. A valid assessment of the adequacy of these organisations to carry out their functions would therefore need to be based on an analysis of the needs of the particular industries they serve. Such an assessment has not been attempted since it is outside the scope of this inquiry.

308. Comparisons between the ways in which different organisations carry out similar functions shows the extent to which the interests of employers in different industries coincide and the extent to which they diverge. The existence of different interests for particular groups of employers is the main justification for the existence of separate employers' organisations. For this reason each organisation must reflect the particular interests of its members in the range and type of its activities, and it cannot provide a service which its members do not want. The variety between organisations therefore has its roots in the nature of the organisations rather than simply reflecting differences in the level of financial resources, which can be a result rather than a cause of a small or great range of activity.

### THE REGULATION OF WAGES AND CONDITIONS OF WORK

309. The aim of national incomes policy to establish a relationship between the rise of incomes and the growth of production coincides with the long-term interests of employers in preventing increased labour costs from pushing up the price of the product. It may therefore seem somewhat surprising at first sight that employers' organisations do not generally set out to establish maximum as well as minimum wage rates, and so control increases in rates paid. Only one of the organisations visited, the National Federated Electrical Association, tries to do this directly, while the others limit their control to minimum or basic rates and basic conditions of employment, while attempting to exert only an indirect influence on the movement of wages above the minimum.

310. On examination, the reasons for this attitude appear to be twofold. First, the control of maxima would raise practical difficulties in many industries; and, secondly, control would involve the acquisition of greater power over members than the organisations at present possess. These are cogent reasons, and the conclusion to which they point is that in order to exercise effective control over maxima the organisations would have virtually to transform their character.

#### DIFFICULTY OF CONTROL OF MAXIMA

311. The control of maximum rates raises quite different problems from the control of minimum rates. Although the main pressure for the establishment of minimum rates stems from trade unions, the employers have a common interest in preventing the payment of lower rates than the minimum. If the minimum is set at the lowest rate that it is reasonable to pay in any circumstances, an employer who pays less than the minimum gains an unfair advantage and is thus able to undercut his competitors. In times of full employment, of course, it has been unnecessary to enforce this control except in isolated instances.

312. The control of maximum rates, however, would not rest on a similar acceptance that an offender is clearly doing something wrong, since an employer who pays more than another is not engaging in unfair competition, nor is he doing something which trade unions and the general public would normally regard as disreputable. On the contrary such an employer has usually been regarded as a "good employer" who is concerned with the welfare of his employees. It is in fact only in the context of the "poaching" of workers

from other employers and of the effect of wages drift on incomes policy that paying above the rate becomes in any way reprehensible. While there may be general objections to "bidding up" for labour, most employers would accept that there can be justifiable reasons for one firm paying more than another because of differences in product, method of manufacture and so on. While such differences may be justified by relative efficiency it would be difficult for an employers' organisation to judge its members' actions on such criteria.

313. This difficulty is made very much more formidable by the complexity of the task of controlling maxima. It is relatively easy to judge whether a minimum rate is being paid or not. Quite the reverse is true of maxima. All sorts of extra payments may be made masquerading under various titles, each of which may be plausibly defended in one way or another. Where payment by results schemes are in use the "loosening" of piece rates can be done more or less imperceptibly, and the process is difficult to check. Even if strict control is kept over rates then many opportunities for attracting labour by equivalent means are open to an employer. For example he can guarantee a given level of overtime or he can provide a wide variety of fringe benefits such as a pension scheme, a generous sick-pay scheme, etc. All this means that an employers' association would have to have surveillance over a wide range of managerial decisions at company level in order to control maxima effectively, and employers would in general simply not be willing to permit this. They would feel—with considerable justification—that to do so would be to allow a large area of decision-making which was vital to the success of the enterprise to be taken out of their hands. After all, they would not be wanting to make extra payments if they did not think this would benefit the firm.

314. Since the National Federated Electrical Association is exceptional in that it does exercise control over maxima, it is instructive to consider how it overcomes these difficulties. In the first place, the "good" employer theory has less relevance than in other industries. The kind of work undertaken by different electrical contractors tends to require the same standard of skill from the electrician whether he is working for one firm or another. There is therefore less justification for paying higher rates in one firm than another except for individual merit, and such extras as are justified can be negotiated nationally. Paying above the rate is thus more clearly seen to be a means of "bidding up" for labour and more easily recognised as something to be prevented. Secondly, control is made easier by the fact that payment by results is not generally considered to be suitable for the industry, and the difficulty of setting national targets is avoided. Nevertheless the employers have found it necessary to involve their association in management decisions by setting up management liaison committees on large sites to determine the need for overtime and to deal jointly even with the questions of merit increases to individual workers. Similarly, when job grading is introduced under the 1966–69 Agreement, the Association will act for its members and individual employers will not make their decisions independently. This degree of control is acceptable to the employers because of their common interest in maintaining a uniform wage structure, and the experience of the electrical contractors illustrates how the effective control of maximum wage rates leads inevitably to joint action in a wider field.

315. It is also to be noted that the other associations do attempt a control of maxima in the area of conditions of employment other than wages. This control raises less practical problems than the control of earnings and seems to be less a form of control than an expression of the common interest of employers in maintaining standard conditions, arising from the commonly held belief that individual employers have nothing to gain by conceding better conditions unilaterally. The contrast is pointed by the recent attempts of the engineering employers to negotiate standard conditions for staff workers while there is no corresponding desire to negotiate standard or even basic rates of wages for these workers. This shows very clearly how co-operative action by an employers' organisation is rooted in the common interests of the members. The control would break down if a substantial proportion of members were to decide that it was in their companies' interest to concede better conditions unilaterally, as they have already decided in relation to paying above the rate.

#### POWER TO EXERT CONTROL

316. Employers' organisations are voluntary bodies whose activities are subject to the control of the members and any control over members is a form of self-discipline. The power to control the actions of one member depends on the readiness of members to give this power to the association, and this would not be given unless it was in the interests of the membership as a whole. Thus the National Federated Electrical Association owes its power to control wage rates to the membership decision that such control is in their own interests. The membership of other associations has not given such power to their organisations.

317. The power to exercise control of a member depends ultimately on the possession by the organisation of effective sanctions. Of the associations studied only the NFEA has been able to operate sanctions which involve a tangible penalty on the employer, and even here they would not be enough to deter him if he considered that his interests in going his own way were sufficiently strong for him to leave the association. In order that expulsion should become a credible deterrent, it would be necessary for the voluntary principle to be discarded and this would require a fundamental change of outlook.

318. Because power is derived from the membership, the strength of an employers' organisation is more readily apparent in its dealings with outsiders than in its relations with its own membership. The organisation is strong when the interests of the membership coincide and weak when they diverge. Thus, it will tend to express an existing community of view more easily than it can impose a firm line on its own membership.

319. Size of membership is not itself a guarantee of strength, since this may bring in members whose interests are different, and this explains why associations do not always actively seek to recruit 100 per cent of the employers in their industry. Moreover, the same organisation can be strong in some matters and weak in others. For example the Federation of Civil Engineering Contractors carries considerable weight in its dealings with the professional body for Civil Engineering or with Government when it has the whole of the membership behind it, but does not prevent wage competition among its members when there is not a strong community of interest.

#### INDIRECT INFLUENCE

320. Influence short of control does not present employers' organisations with the same difficulties, and in all the industries where wage competition has become a problem there are examples of attempts to exert a positive influence on employers to relate wage levels to production.

321. The influence takes the form of stimulation of action by employers themselves, and the provision of assistance and advice on methods of doing so. The effect of this influence must be long-term rather than immediate, and it can only reduce the extent of disparities between individual firms rather than remove them altogether.

#### IMPLICATIONS FOR NATIONAL INCOMES POLICY

322. The proposal made in the evidence of the Confederation of British Industry that employers' organisations could help to co-ordinate plant bargaining within the industry wage bargaining structure can be seen in this context to involve an extension of influence rather than the establishment of control. The introduction by Government of the wage standstill in July 1966 led to an increase in the extent to which individual employers looked to their organisation for advice on incomes policy matters, and the organisations could develop this function in response to further Government action.

323. Such a development would not however lead to direct control of the wage decisions of individual employers, and the growth of centralised wage policy determination on the pattern of the National Federated Electrical Association. The growth of influence depends essentially on the co-operation of the members of the organisation and would remain voluntary. The establishment of control would require a revolutionary change of policy.

324. It is therefore difficult to envisage the majority of employers' associations assuming the responsibility of enforcing compliance by their members with a "norm" set by a national incomes policy. Such enforcement would imply that associations have the power to vet plant bargains and to refuse to authorise the payment of a wage increase which exceeds the pre-determined norm. This power they do not possess for the reason that their members have not thought it to be in their interest to give such powers to their association.

325. In order that an employers' organisation could act as a regulating instrument for the control of earnings it would be necessary to convince the majority of its members that their interests would be served by such a major change of policy. Each organisation considering this change would have to consult its members just as the National Federation of Electrical Contractors had to seek the authority of its members for the crucial decision to adopt a policy of uniform wage rates. It is theoretically possible that employers would wish to give these powers to their associations, but it is perhaps more significant that they have not yet done so.

#### IMPORTANCE OF CONSULTATIVE ROLE

326. It should be emphasised that the failure of most of these organisations to regulate wages in their industry does not represent a failure to achieve something they set out to do. On the contrary, it is quite clear that they see their role as that of the guide and counsellor on these matters rather than that

of the policeman, and this role corresponds very closely with their relationship to their members in connection with their other activities, for example those concerned with manpower or trade matters. The consultancy role appears, moreover to have been chosen, not as a "second-best" alternative to regulation, but as the natural way to help their members, and the way in which they can be most effective, for example in the development of work study and management consultancy services.

327. It would, however, be wrong to suggest that regulation is completely contrary to the nature of an employers' organisation. Although in most organisations the guidance role is predominant, the relationship with members involves an element of control which may be more or less heavily stressed according to circumstances. The requirement that members should not pay less than the national rate is an example of a form of control which was very important in the circumstances obtaining in this country in the inter-war years, when there was no general pressure to pay more than the minimum and the control therefore effectively regulated normal wages. The enforcement of standard conditions of work is another example of control which is in present circumstances generally applied.

328. What is contrary to its nature is the exercise of control by an employers' organisation against the wishes of its own members. The National Federated Electrical Association shows how an employers' association can effectively regulate wages but it does not point the way for other organisations to do the same. It is the particular circumstances of the electrical contracting industry which have convinced the employers in that industry that their association should regulate wages. In other industries, notably those where payment by results schemes operate, employers seem to be equally convinced that regulation by the association does not suit the conditions of the industry.

#### ENCOURAGEMENT OF THE EFFICIENT USE OF MANPOWER

329. Action taken by employers' organisations towards improvement in the efficiency of use of manpower has largely been concerned with negotiation to remove restrictive practices imposed by workers. Organisations in industries which do not face common problems of this sort, such as multiple retailing, have accordingly not been much concerned with these matters. Negotiation with trade unions on changes in working practices have not in every case been linked with wage negotiation. Other advantages than increased pay have been offered, such as greater security of employment, and in some cases negotiations have been based on the assumption that greater efficiency is itself in the long-term interests of both employers and workers, without additional concessions.

330. Employers' organisations are cautious in their attitude to plant productivity bargaining for fear that if restrictive practices become a saleable commodity new practices might be invented as fast as the old ones are removed. Their caution also stems from recognition of the difficulties of putting a monetary value on the changing of particular working practices. Officials doubt whether anyone outside an individual firm can determine what

this value is. They are therefore extremely hesitant about the possibility of offering assistance in negotiations, and are pessimistic about the prospects of distinguishing a genuine bargain from a disguised wage increase.

331. The control of plant productivity bargaining by employers' organisations seems therefore to be even less likely than the control of straight wage increases. Not only is the vetting and authorisation of company plant or site wage increases undesired for the reasons given in paragraphs 324 and 325, but practical problems would arise in assessing the merits of a particular increase in relation to the measurements of improved efficiency.

332. Where organisations can help their members is in identifying the kinds of changes in working practices which may be generally desirable, and, apart from their involvement in negotiations with trade unions, they also provide an advisory service to their members. They offer a convenient forum for the study of common problems which enables them to give general guidance on action which may be taken by individual members as well as to assist with individual solutions. This advisory activity is not only concerned with restrictive practices imposed by workers, but can also help employers to improve their own management practices.

333. Although there are differences in the extent to which different associations are involved in productivity negotiations there appears to be less potential for growth in this direction, than in the field of advice to members. Moreover, the kind of problems which employers' organisations are best fitted to tackle are those which affect all firms in the industry equally, and which can be dealt with in the context of the manpower structure needed for the industry as a whole. Thus, the employers' organisation is the only body in a position to negotiate a revision of the general craft structure of an industry in the interests of long-term overall efficiency, while the individual employer is better placed to determine the monetary value of particular changes in working practices designed to achieve immediate improvements.

#### INFLUENCE ON THE PREVENTION OF STRIKES

334. The main effort of employers' organisations in maintaining industrial peace is directed towards the provision of machinery for the orderly settlement of disputes between employers and workpeople. In shipbuilding and in certain parts of the engineering industry the existence of this machinery has not however prevented recourse to strike action to a significant degree.

335. Organisations try to assist their members further by the conclusion of agreements with trade unions that the procedure for settlement of disputes should be used before strike action is taken, and by efforts to persuade trade unions to implement these agreements by getting their men back to work when an unconstitutional strike occurs. Some associations also operate indemnity funds to relieve the effects of a strike on their additional members.

336. Indirect action designed to improve the state of industrial relations in the industry is taken by a number of employers' associations and is likely to be more effective in the long term than attempts to deal with individual strike situations. Many associations have sponsored or provided management

education courses to assist their members to develop in their own firms more effective labour management policies. They are also developing advisory services on individual problems of particular firms by various forms of consultation.

337. The growth of a consultancy role in the settlement of disputes has also been noted. Most of the increase in dispute handling undertaken by employers' organisations has been on domestic matters which are not covered by a national agreement. In this type of dispute the function of the employers' organisation contains a strong advisory element.

338. While the activities of employers' organisations do not fully protect their members from the effects of strike action, their claim that they reduce its extent seems to be justified. Moreover, they are also trying to improve the failings of their own members in management techniques and the handling of industrial relations problems; and the importance of this consultancy and advisory function towards its own membership is increasing relatively to corporate action in defence of its members against organised labour.

#### TRENDS IN OTHER ACTIVITIES

339. Most of the evidence for changes in the activities of associations points to the growth of existing services or the provision of new ones. While some developments may be common to a number of organisations, it is probable that most changes will occur in response to particular conditions in a given industry or locality and that some associations may change more than others. Indeed, the officials of some associations do not foresee any significant changes at all, since the existing organisation is felt to be adequate for members' needs. The associations serviced by the firm of chartered accountants fall into this category, and this is generally true of the Multiple Shops Federation and some of the local associations. It must of course be accepted that unforeseen circumstances may arise which make modifications desirable to the membership and in this sense the possibility of change is always present.

#### MANPOWER MATTERS

340. There seems to be a growing interest in the manpower problems of member firms, particularly in those industries where Economic Development Committees and Industrial Training Boards have been created. Activities connected with the recruitment and training of workers and the forward planning of manpower requirements could take the form of an enlargement of data collecting machinery as well as the development of advisory services particularly in the training field. Interest in manpower organisation, particularly craft structure, may also grow in particular industries leading perhaps to the use of job study techniques.

341. While the establishment of Government bodies like the Economic Development Committees seems to stimulate this kind of activity in the associations, it is not yet clear whether the emergence of new bodies specifically concerned with manpower problems, such as the Joint Manpower Committee for the printing industry and the Motor Industry Joint Labour

Council, will have the same effect. These bodies, if provided with their own secretariat, might undertake activities themselves which could otherwise fall to the associations; on the other hand, some employers' associations may wish to increase their activities, if only to influence such bodies.

#### REPRESENTATION TO GOVERNMENT

342. The importance of this function seems well established both for trade and labour matters, and there seems to be a general tendency towards the growth of activity. In exercising this function, employers' organisations act as spokesmen for the industry and also determine what are the interests of the industry as a whole as against those of individual employers. The importance of these activities is underlined by the fact that outside a monopoly situation no individual employer, however large, can do these things adequately for himself. Increasing Government involvement in economic and industrial affairs therefore increases the value to employers of membership of their organisation.

#### INFORMATION AND ADVISORY SERVICES

343. Improvements in information services are planned both to provide more systematic printed material and to streamline channels of communication. Advisory services are likely to expand in some associations particularly in manpower matters such as training and safety, and also in industrial relations matters.

#### COVERAGE OF TRADE INTERESTS

344. Those associations which do not cater for the trade interests of their members are conscious of the need for close liaison with trade associations and of the overlapping of functions with them, which is particularly noticeable in activities concerned with representation of employers' interests, provision of information services, and consideration of manpower and training matters. The consideration of productivity and prices in connection with wage negotiations seems likely to increase the necessity for close co-operation. One would therefore expect to see developments towards the integration of trade and employment organisations in those industries where it does not already exist.

345. In the engineering industry, difficulties arise in this context because, while there is only one national employers' organisation, the Engineering Employers' Federation, there is a great number of specialised trade associations, particularly in the mechanical engineering sector where there are at present more than 70 separate associations. However, active consideration is being given to the possibility of reorganising trade associations in this sector to produce a more effective industrial coverage,<sup>1</sup> and if the recommendations made by the Confederation of British Industry are acted upon closer integration of trade and employment organisations will become a practicable possibility.

<sup>1</sup> CBI—*A review of Mechanical Engineering Trade Associations* (published November 1966).

## CHANGES IN ORGANISATION

346. The existing variety in organisation and size of industrial coverage does not seem likely to diminish, on the evidence supplied by this survey. In the building industry, some changes are at present taking place which should lead to a more centralised organisation by the improvement of communications between local associations and Federation, and by efforts to negotiate the affiliation of those associations which remain outside. But some related associations such as the Electrical Contractors seem to wish to remain independent. Also in the printing industry there is no indication that it is desired to end the separation between organisations serving general printers and the printers of newspapers. The present arrangement is said to meet the interests of members adequately.<sup>1</sup>

347. The federal structure of associations in engineering, shipbuilding and printing also seems likely to continue. However, some reduction in the number of local associations affiliated to federations is already taking place, and there is a gradual trend towards the creation of larger associations out of a number of small ones, in the interests of improving the quality of services provided.

348. A more significant factor than this slight evidence of a movement towards larger organisations is the growth of sectional bodies within those organisations which cater for a range of industrial activity. Employers' organisations can be most effective when the interests of members coincide, and a sectional body within the organisation can provide the machinery for this without losing the advantage of size for other purposes. The sites group organisation within the Engineering Employers' Federation is one example of this kind of sectional body, and it negotiates separately on behalf of members engaged on construction sites. Other examples are found in building and printing, although these do not negotiate separately. Nevertheless other groups with special interests, such as electrical engineers and motor car manufacturers do not yet have sectional bodies within the Engineering Employers' Federation, possibly because they have separate trade associations to look after their interests. There seems therefore to be room for the further growth of sectional bodies, particularly if trade and employment organisations become more closely integrated.

349. The trend towards larger organisations, together with the development of activities mentioned above, indicates the likelihood of a growth in the number of permanent staff employed in associations. Some of these staff may be specialists, for example, in work study or training, but the majority of officials will probably continue to be generally available to serve the association in a range of duties, and the range may get wider rather than narrower. The opportunities for young entrants to make a career in association work should improve and training methods become more systematic.

350. The changes foreseen in the organisation of the associations visited are therefore not dramatic or far reaching and will take place gradually over a fairly long period. Other changes could occur however in response to changed circumstances and more particularly in response to the wishes and changing needs of the members.

<sup>1</sup> Since this survey was completed, the Cameron Committee has recommended that these organisations should give further consideration to the possibility of amalgamation. (HMSO, Cmnd 3184, January 1967).

## FUTURE TRENDS

351. The picture of employers' organisations which emerges from this survey shows them to be organisations which are essentially what their members want them to be. The differences between them result primarily from the differing interests of particular groups of employers. The fact that in recent years most of the organisations studied have in their industrial relations activities stressed the positive role that they can perform in offering advice and assistance to their members, rather than the role of determining and enforcing a common will, does not mean that they have in some way shuffled off their responsibility. It reflects what the members themselves want and implies that a substantial number of individual employers desire to deal with their own problems and seek advice on the way to do so rather than to take decisions collectively and be told what to do.

352. While any assessment of future trends must be qualified by the recognition that their direction may be altered by changing circumstances, present indications are that the consultative role will be developed and strengthened at the expense of the regulatory attitude, and that the importance of employers' organisations in the future will be in their capacity to support their members rather than to protect them.

## **2. A SURVEY OF EMPLOYERS' ASSOCIATION OFFICIALS**

by W. E. J. McCarthy

### **A. INTRODUCTION**

1. In his research paper for the Royal Commission V. G. Munns studied thirty-three employers' organisations in some detail. They were chosen partly because of their importance but also because there were reasons to believe that they had interesting and significant characteristics. It was realised that this method of approach was open to the objection that what was discovered might not be generally applicable and so the research staff of the Commission undertook to complement the work of Mr. Munns with a wider survey of a much larger sample of national and local organisations with the assistance of Government Social Survey. For this purpose they constructed a sample of national and employers' associations and conducted interviews with 180 of their chief officials. Details of the sample, and the way in which it was chosen, are contained below.

2. This Research Paper contains the results of this wider investigation. To some extent it covers the same topics as Mr. Munns's paper, although there are answers to a number of questions he does not discuss. The paper ends with an attempt to draw some conclusions from all the information provided and a comparison of the view of employers' associations that emerges with that provided by Mr. Munns.

## B. SUMMARY

### *Nature of the Survey and Information Collected*

3. The survey covered 35 national organisations, 12 of which were "federations"—i.e. they had local associations affiliated to them. One hundred and forty-five of these local associations were also contacted. In each case the chief official of the association in question was interviewed.

### *Coverage*

4. There were wide variations in the number of firms belonging to associations, as well as considerable differences in the numbers of people employed by member firms. Some local associations, e.g. in engineering, had more members and covered more workers than some national associations. Many officials were unable to say what proportion of eligible firms they had in membership, but very few could claim to have 100 per cent of their potential. Rather more said they had at least 75 per cent of their potential. For the most part non-member firms were said to be relatively small. In general non-membership of their association, both at national and local level, did not appear to cause the officials interviewed much concern. Most of them thought that if eligible non-members did join the association it would not make much difference. Officials thought that the main advantages of membership were the chance to participate in representations to Government, opportunities for collective action and the receipt of advice and information. Most officials also thought that both small and large firms gained equally from membership.

### *Income*

5. There were wide variations in the annual income of both national and local organisations. On the whole national organisations raised more money than local associations, but there were many exceptions to this rule. About a quarter of officials thought that their organisation did not have sufficient money to carry out the functions which it ought to perform.

### *Scope of Activities*

6. About six out of ten officials said that their organisations dealt with trade or commercial matters as well as labour matters. Significant exceptions to this rule were the engineering associations. The majority of national officials who dealt with both kinds of questions said that trade and commercial questions were more time-consuming than labour questions and that time spent on non-labour matters had increased substantially in recent years.

### *Industrial Relations Activities*

7. The great majority of national organisations negotiated wage rates and conditions for manual workers but only two said there were similar arrangements for staff workers. All but two of the officials of the national organisations said that they negotiated only basic rates, allowing management at local level to settle higher or supplementary rates. Four officials claimed that their association negotiated effective rates, with very little freedom to

negotiate other rates at local level. About half of those whose organisations only negotiated basic rates said that they did not try to exert any control over increases in local rates. The four national officials who claimed to settle effective rates admitted that their members sometimes wished to exceed them. When asked how this was prevented one official abandoned the claim to settle effective rates, another said that nothing was done to try to control those who were foolish enough to pay above the rate and two said that they used "persuasion".

8. Over half the national organisations had some form of district rates, but about half of them thought that they did not result in substantial differentials.

Many local associations said that they made agreements with trade unions over terms and conditions of employment themselves, but most of them also said that member firms could improve on these conditions if they wished to do so.

Only about one in four officials thought that there were more than a few workers in member firms who were receiving nationally negotiated rates and no more.

9. About a third of national officials whose organisations operated disputes procedures said that there had been an increase in their use over the last ten years.

Rates of increase were extremely varied—i.e. from below 50 per cent to above 300 per cent. In general the highest rates of increase were in engineering, where 30 per cent of local officials claimed increases of more than 300 per cent.

10. A smaller number of officials claimed similar rates of increase in the use of informal disputes procedures, although nobody said there had been a reduction in the use of such procedures. Once again the highest rates of increase were in engineering.

11. Less than one in four of officials wished to see any changes in their systems of national negotiation and procedures for settling disputes. Even those who recorded an increasing number of disputes, and a rise in the number of strikes in breach of procedure, did not usually suggest changes. Apart from suggestions concerning union organisation and practice, the most frequently canvassed were the use of arbitration and ways of speeding up the procedure.

#### *Research and Information*

12. Seven out of ten officials said their organisation collected some statistics, but these were usually confined to earnings figures and the size of the labour force. About half of national organisations appear to undertake any other form of research. Most studies listed mainly concerned technical problems of production. The great majority of national and local organisations provide members with a regular information service.

#### *Relations with Trade Unions*

13. Most national officials said their organisation dealt with less than five unions, though a minority dealt with more than ten. Most of them did not deal with any non-manual unions. Asked what the attitude of their

organisation was towards the unionisation of non-manual workers most officials said either that it was "neutral" or that the question did not arise. A few said their organisation was opposed to the organisation of non-manual workers, and a few said that they encouraged this development.

14. The majority of national officials said there was competition for members amongst the unions they dealt with, but local officials' answers varied according to the industry they represented. The great majority of local officials in engineering said that there was competition and most of them thought this was either "quite important" or "very important". The majority of local printing officials thought that demarcation problems between unions were either "quite important" or "very important".

15. Thirty-four per cent of national officials said that there had been an increase in recent years in the influence of shop stewards and nobody thought that their influence had declined. In engineering a majority of local officials thought that there had been an increase in shop steward influence. Few national officials or local officials (outside engineering) thought that this increase in influence had been at the expense of the full-time trade union officials.

16. Very few national officials or local officials thought that in comparison with shop stewards full-time union officials played an unimportant part in their local system of negotiation and consultation. Sixteen per cent of national officials and 22 per cent of local officials would like to see them play a more important part.

#### *Strikes and Other Sanctions*

17. Very few officials outside engineering said that there had been an increase in the use of strikes and other forms of industrial action among member firms in recent years. Those that did said that they were for the most part strikes in breach of procedure.

#### *Inefficient Labour Practices*

18. When asked if there were any particularly time wasting and inefficient labour practices among their member firms 30 per cent of national officials said yes. The answers of local officials varied from industry to industry, but the majority of officials in printing and engineering also said yes. Over-manning and insistence on job demarcations were the most frequently quoted instances of inefficient labour practices.

#### *Policy Formulation and Influence Over Members*

19. Some officials said that major policy issues were decided by a committee and others said that policy was decided at a general meeting of members. Most national officials thought that the larger firms had more influence on policy than other firms. Almost half the national officials said that they made little or no attempt to influence the industrial relations activities and decisions of individual firms; 16 per cent said they tried to influence members "a lot". The answers of local officials varied widely from industry to industry but a majority of local officials in engineering said that they sought to influence members "a lot". Only 4 per cent of

officials said they knew of any firms that had been expelled from their organisation during the last five years because of policy disagreements. Those that said they did were asked to give details. Most disagreements appeared to concern issues other than industrial relations questions.

20. Only a small minority of officials said that their organisation had insufficient influence over its members. The minority who thought that there was insufficient influence was largest in printing.

#### *Officials and Staff*

21. About a quarter of national officials said that their organisation had no full-time employees at all. Only one national organisation and two local associations had a woman as their chief official. The ages of chief officials varied considerably from one organisation to another, but among local associations the largest proportion of older officials was in engineering, where three out of ten were over 60. Very few chief officials had any previous experience of an industrial relations job and in most cases, with the exception of printing, past experience in finance and the law was more common than work in the trade represented. Virtually none of the chief officials interviewed had had any training for their job other than experience, although over half claimed a professional or academic qualification.

#### *Relations with Other Organisations*

22. Fifty per cent of officials in national organisations said that other employers' organisations recruited amongst their members. Virtually no officials thought that such competition was of much importance. A minority of those experiencing competition were in favour of a merger with competing organisations, mainly in order to avoid duplication and improve services. Nobody mentioned a merger as a way of gaining greater strength in order to deal with trade unions.

#### *Conclusions*

23. In general the results of the survey support Mr. Munns' findings and conclusions. There is a similar diversity in the size of membership and the workers covered by different associations. There are also similarly wide variations in the proportion of potential membership which remains outside different associations. Moreover, as Mr. Munns discovered, the extent of non-membership, and its possible recruitment into the association, does not appear to be a matter of much concern to most officials.

24. A similar diversity is also revealed in the functions and services of different organisations, and in their levels of income. Mr. Munns seeks to explain these variations by reference to the varying needs of the members of different organisations, and their differing desires for common services and common action. What has been discovered is not incompatible with this explanation.

25. The survey also supports what Mr. Munns says about the industrial relations activities of employers' organisations. It is clear that only a very small minority of them seek to negotiate rates and conditions for staff workers. It is also clear that the main form of wage negotiations in which they engage

is the settlement of basic rates for manual workers. These allow individual employers scope for any additions or supplements which they wish to pay above the national rate and result in a situation in which only a few workers obtain no more than the national rate. The few organisations that do seek to settle effective rates by national negotiations admit that their members sometimes wish to pay above the national rate, and say that all they can do is to try to "persuade" them to have some regard for what has been determined nationally.

26. This means that Mr. Munns is right when he suggests that nowadays most employers' organisations do not seek to eliminate or control wage competition and when he states that on the whole there is little indication that they wish to secure more power to control earnings levels.

27. Mr. Munns is also correct in suggesting that the growing use of both formal and informal disputes procedures is not regarded by many association officials as an indication that existing procedures need to be modified or adapted. In fact very few of them wish to see any changes at all. This might be said to be partly due to the fact that they claim that despite the increase in disputes there has been no increase in strikes. Unfortunately it is difficult to accept what they say about strikes at its face value, since official statistics show a more or less steady increase in strikes over the last ten years.

Finally, the survey supports Mr. Munns in that it indicates that the non-industrial relations activities of employers' organisations are becoming more important.

28. There are only two comparatively minor ways in which the survey modifies the Munns view of employers' association activities. First, it suggests that a significant proportion of associations confine their operations to industrial relations activities. Second, it supports the view that there has been a more widespread and rapid increase in the use of official and unofficial procedures than one might conclude from his study.

29. Other information provided by the survey may be summarised under three headings: staffing and administration of employers' organisations, relations with trade unions and inefficient labour practices. In the first case the survey indicates that a background in finance and law appears to be the main external training ground for many employers' association officials. In the second, it adds to the evidence from other sources that there has been an increase in shop steward influence in recent years, and suggests that this is not unrelated to the increase in the use of disputes procedures. It also supports what Mr. Bain has suggested, in his earlier Research Paper, concerning the attitudes of employers' associations to the development of trade unions for white collar workers. On the question of inefficient labour practices, the survey contains facts and opinions which can perhaps best be evaluated in conjunction with other information collected by means of the Commission's workshop relations surveys.<sup>1</sup>

### C. THE NATURE OF THE SAMPLE

30. To draw a sample of national employers' associations and their affiliated local associations a list of employers' associations was obtained from

<sup>1</sup> See further below.

the Confederation of British Industry. This was checked with the Ministry of Labour's directory to eliminate any associations not concerned with employment.

31. For all national organisations covering over 10,000 employees a sample of 1 in 2 was taken, and for those covering less than 10,000 employees a sample of 1 in 4. After a discussion with the CBI it was decided that the National Federation of Building Trades Employers and also some associations not listed in the directory should be included. The final sample of national associations was 36, which included:

- (a) 14 large national associations without local associations or branches;
- (b) 12 large national federations with local associations;
- (c) 10 small national associations.

32. For all but one of the 12 selected national federations with affiliated local associations all the local associations were approached. The exception was the National Federation of Building Trades Employers, for which 1 in 10 of the nearly 300 affiliated associations were selected. The final sample of local associations was 164.

33. Ten of the associations in the sample were contacted by members of the Commission's staff, but all other field work was undertaken by the Government Social Survey. In each case an attempt was made to interview the chief officer of the association contacted—usually its secretary. Interviews were obtained with all but one of the national organisations and all but 19 of the local associations. This represented a response rate of 90 per cent. Below are details of the number of officials interviewed in local associations belonging to the following national organisations:

Engineering Employers' Federation	...	...	...	36
National Federation of Building Trades Employers	...	...	...	29
British Footwear Manufacturers Federation	...	...	...	15
United Kingdom Textile Manufacturers	...	...	...	14
British Federation of Master Printers	...	...	...	13
Sheffield Lighter Trades Employers' Association	...	...	...	10
National Federation of Clay Industries	...	...	...	9
Hosiery and Knitwear Employers' Association	...	...	...	9
Textile Finishing Trades' Association	...	...	...	5
Iron and Steel Trades Employers' Association	...	...	...	3
British Precast Concrete Federation	...	...	...	1
Surgical Textiles Conference	...	...	...	1
				145

34. For the purposes of convenience the term *national federations* is used in the survey to describe national organisations with local affiliates or associations. The term *national associations* is reserved for those organisations who do not have any local affiliates or associations. The term *national organisations* is used to describe both types of national organisation when considered collectively.

## D. INFORMATION COLLECTED

35. The object of the survey was to obtain information about the following subjects:

1. *The Coverage of Employers' Associations*—i.e. number of firms in membership, labour force employed, proportion of eligible firms in membership, position of non-member firms, etc.
2. *Income*—i.e. the annual income of associations, whether existing income is sufficient, etc.
3. *The Scope of Activities*—i.e. whether associations dealt with trade matters as well as industrial relations, and the proportion of their time spent on different activities.
4. *Industrial Relations Activities*—i.e. wage negotiations, the use of official and unofficial procedures, dispute handling, etc.
5. *Research and Information Activities*—i.e. the collection of statistics and other information and the provision of information services to members.
6. *Experience of Strikes and Other Sanctions*—i.e. trends in strike activity, experience of "go slows", "work to rule", etc.
7. *Inefficient Labour Practices*—i.e. the extent of time wasting and inefficient practices, e.g. overmanning, rigid job-demarcations, etc.
8. *Relations with Trade Unions*—i.e. numbers of unions dealt with, problems of multi-unionism, contact with full-time union officials and shop stewards, attitude towards non-manual workers' unions.
9. *Policy Formulation and Influence over Members*—i.e. how policy is decided, the degree of influence over members, resignations, expulsions, etc.
10. *Officials and Staff*—i.e. numbers, qualifications, background, training and main duties.
11. *Relations with Other Organisations*—i.e. the extent of competition and overlapping, the advantages of mergers, etc.

36. For the most part this information was required mainly to supplement that provided by Mr. Munns' study, and to test the representativeness of his general conclusions. But certain types of information—for example that relating to the use of disputes procedures, the growth of strikes, and the extent of inefficient labour practices—was mainly needed in order to supplement and complete the series of surveys of workshop relations which have been conducted by the Government Social Survey on behalf of the Commission.

## E. COVERAGE

37. *Number of Firms in Membership*: There were wide variations in the number of firms belonging to the organisations contacted. Eighty per cent of federations appear to have over 200 members as against 30 per cent of national associations. On the other hand 40 per cent of national associations and 50 per cent of local associations had fewer than 40 firms in membership. Some local associations had more firms in membership than some national associations.

38. *Number of People Employed* : Similar variations existed in the number of workers employed by member firms. Sixty-four per cent of national association officials said that their member firms employed between 1,000 and 10,000 ; 17 per cent employed between 10,000 and 50,000 and 10 per cent said their members employed over 50,000. Generally speaking the labour force involved was larger in the case of national federations than national associations. No federation official said his members employed less than 10,000 and a third employed more than 100,000.

39. Some local associations also had members with a large total labour force. Thus 40 per cent of local engineering officials claimed that their members employed between 10,000 and 50,000, while 14 per cent gave figures of more than 100,000. In contrast the answers of local employers' representatives in building were concentrated at the lower end of the scale. 17 per cent said their members employed less than 500 and another 45 per cent said less than 5,000.

40. It also emerged that in this respect some local associations were larger than some national associations. Thus 7 representatives of the latter organisations said that member firms employed less than 5,000 but 5 of the former said their members employed over 100,000. All of these large local associations were in engineering.

41. *Proportion of Firms in Membership* : When asked what proportion of eligible firms were members of their organisation many respondents could not give an answer. Thirty-five per cent of national association officials and 40 per cent of federation officials were unable to make any estimate. Those that did reply to the question gave varied answers. Just over a third of national association officials claimed that between 75 per cent and 99 per cent of eligible firms were members of their organisation and 9 per cent said they had recruited *all* potential firms. No federation official claimed to be in this position and only 17 per cent claimed a 75 per cent membership or more.

42. Among local associations similarly wide variations were revealed, once again many said they did not know the answer to the question. Forty-seven per cent of engineering officials, for example, could not answer and only 14 per cent claimed 75 per cent membership or more. Local building and printing officials were less uncertain in their answers, but once again only 28 per cent of the former and 23 per cent of the latter claimed more than 75 per cent membership. Only one local secretary in building claimed 100 per cent membership.

43. *The Position of Non-Member Firms* : Most officials agreed that non-membership was predominantly a feature of smaller firms, although a minority of officials of the U.K. Textile Manufacturers' Association said that non-membership in their area was predominantly a feature of the larger firms. Just over half of those who answered a question designed to find out how far non-member firms were unionised said that on the whole they were not. When asked why firms failed to join, the most common reasons advanced were the cost of subscriptions, unwillingness to conform to association policy and the feeling that a firm had nothing to gain from membership. In general non-membership did not appear to cause officials

overmuch concern. Seventy-five per cent of national officials and 67 per cent of local officials thought that if eligible firms were to join it would make only a slight difference or no difference at all to the association.

44. Fifty-three per cent of national association officials and 17 per cent of federation officials said they had acquired no new members during the last twelve months. Eighteen per cent and 17 per cent respectively had acquired no new members during the last five years. On the other hand 33 per cent and 25 per cent had enrolled more than 20 new members in the same period. Similar variations existed among local associations. Local associations in printing seemed to be recruiting relatively fast, but there were records of growth in other associations—e.g. engineering and building.

45. *Advantages of Membership*: When officials were asked to list the advantages of membership no answers stood out clearly. The most frequently mentioned answers were the chance to participate in liaison activities in respect of Government, and uniformity of collective action. Local officials also attached considerable importance to advice and information on recent legislation. Most of them thought that the value of membership had increased over the last few years. One local official said it had decreased. Respondents were also asked if small, medium or large firms gained most from membership. Seventy-four per cent of national association officials and 92 per cent of national federation officials thought that all types of firm gained equally. The majority of local officials agreed—although a minority said that small firms gained most. A few local officials—mostly in printing—thought that the larger firms gained most.

## F. INCOME

46. Respondents were asked to state the approximate annual income of their association. The results were extremely varied, and can best be presented in the form of a table:

<i>i</i>		National Federations Per cent	Large National Associations Per cent	Small National Associations Per cent	Local Associations Per cent
Less than 100	...	...	—	—	9·7
100-499	...	...	—	—	19·3
500-999	...	...	8·3	7·7	6·9
1,000-2,499	...	...	—	—	12·4
2,500-4,999	...	...	—	7·7	13·2
5,000-9,999	...	...	—	7·7	8·3
10,000-24,999	...	...	25	7·7	9·7
25,000-49,999	...	...	25	30·8	3·4
50,000+	...	...	33·3	30·8	4·1
"Don't Know", other answers and no reply	...	8·3	7·7	20	11

47. It is notable that while federations and large national associations are on the whole bunched towards the bottom of this table there are some local associations in the higher income brackets as well. Similarly, although there are no national associations with annual incomes of less than £1,000 a year, the incomes of the 10 small national associations who are represented in

the third column do not rise above £10,000 a year. On the whole national organisations raise more money than local associations—but there are many exceptions to this rule.

48. Officials were also asked whether they thought the annual income of their association was sufficient to enable it to carry out all the functions it ought to perform. Only 22 per cent said that their association could do with more money, and they were asked why subscriptions were not increased. Most answers amounted to one of two related reasons: either it was said that members would not agree to pay more, or that they could not afford to. Few officials could name functions which their organisation ought to perform but which they were prevented from carrying out because of a lack of resources.

### G. SCOPE OF ACTIVITIES

49. *General*: Sixty-seven per cent of national officials said that their organisations dealt with trade and commercial matters as well as employment issues. Virtually all of them mentioned representation to Government and technical, commercial and educational functions. Rather fewer mentioned public relations. Virtually all officers said that their organisation negotiated with trade unions and gave advice to members on industrial relations. The only significant divergence between national organisations with local affiliates and those without them was on the operation of disputes machinery. Almost all federations said that they operated a disputes procedure; but only 58 per cent of national associations claimed to do this. Almost all federation officials also said that their local associations operated a disputes procedure.

50. *Time Spent on Different Activities*: Questions were asked to discover the proportion of time spent on different activities. The great majority of national and local officials thought that their most time-consuming functions lay in the area of "technical, commercial and educational" activities—i.e. *they regarded these functions as more time-consuming than industrial relations activities*, such as the operation of disputes machinery, negotiation with unions, advice to members on the meaning of agreements, etc. The outstanding exceptions to this rule were the engineering associations. In their case the most time-consuming functions would appear to be negotiation with trade unions. Most of those interviewed thought that the time spent on such trading functions had increased in recent years. Virtually nobody thought that it had decreased.

### H. INDUSTRIAL RELATIONS ACTIVITIES

51. *National Wage Negotiations*: Almost all the officers of national federations (i.e. 10 out of 12) and a majority of those in national associations (i.e. 14 out of 23) said that their organisation negotiated wage rates and conditions for manual workers. No federation officials and only two association officials said there were similar negotiations for staff workers. Those who did have national wage negotiations for manual workers were asked whether they were "in effect a way of settling" either "basic rates only, allowing management at local level to agree to higher or supplementary rates" or "effective rates, with very little freedom to negotiate other rates at local level". With the exception of four officials—two in federations and

two in associations—respondents said that their organisation only sought to negotiate basic rates. Federation officials who negotiated basic rates were then asked if their local associations tried to "exert any control over local rates which are in addition to national rates". Half of them replied that they did not. Those who said that their local associations did try to do this were then asked "How?". Half of those who answered said that there was some formal machinery for trying to exert control. Others said that an attempt was made informally, by persuasion. The four organisations who claimed to settle effective rates were asked if their members sometimes wished to pay above nationally determined rates. They admitted that they did and were then asked "How do you prevent them from doing so?". They gave varied and interesting replies. One official said that if members did pay more than the negotiated rate no attempt was made to control them since "we just think they're stupid not getting a return for their money". Another abandoned the view that his organisation settled effective rates at all and said "Only minimum wage rates are negotiated". The other two stressed that they only had persuasive powers. One said "When it's excessive—influence—diplomatic letters". The other replied "Purely persuasion, we have no statutory powers", and admitted that "there is a very wide spread in actual earnings".<sup>1</sup>

52. *District Rates*: Half the national association officials and almost all federation officials said there were district rates in their industry. Opinion was evenly divided on whether these rates resulted in "substantial differentials for workers in the same occupations in particular districts".

53. *Local Wage Negotiations*: There were very varied responses to questions designed to discover the extent and form of local wage negotiations by employers' associations. In some industries, such as engineering and textiles, the great majority of local associations said that they made agreements with trade unions over terms and conditions of employment for manual workers. In other industries, such as building, only about one in four of local associations claimed to make such agreements.<sup>2</sup> (Very few local associations outside engineering claimed to sign agreements of this sort for staff workers). Those that did conclude agreements concerning manual workers' wages were then asked questions designed to discover if member firms were free to make additions or supplements to such agreements if they wished to do so. Most of them said that they were.

54. *Workers on Minimum Rates*: All respondents were asked questions to test how far the workers employed by their members were receiving no more than nationally negotiated rates. In the case of workers on payment by results officials were asked whether "most", "some" or "only a few" workers in member firms received "no more than the nationally agreed minimum level of earnings". In respect of time workers they were asked how many received only "the national rate for the job". The majority of national and local officials who

<sup>1</sup> This admission should not necessarily be taken to mean that the organisation in question did not seek to negotiate effective rates at all. The earnings spread in question could have been due to factors other than local variations in hourly rates—e.g. overtime.

<sup>2</sup> Answers to these questions were to some extent difficult to interpret, since it was not always clear what respondents thought counted as evidence of participation in the making of local agreements. It is arguable that some thought this involved signing formal agreements affecting more than one plant or firm, whereas others may have considered that participation in the settlement of particular disputes resulted in the "making of local agreements".

were able to answer these questions claimed that only a few workers were on these nationally agreed rates. The only significant proportion of local associations answering differently was in building, where 27 per cent of officials thought that most time workers in member firms were paid no more than national rates.

55. *The Use of Official Dispute Procedures:* Officials of organisations that operated disputes machinery were asked if there had been an increase in its use over the last 10 years. Over half the national officials—i.e. 14 out of 24—reported no change in the number of cases or references raised. Eight reported an increase and only one a decrease. The answers of local officials exhibited much the same pattern, except in engineering, where 70 per cent of officials claimed an increase.

56. Those who said there had been an increase were then asked to estimate its proportions. A few were unable to do so but those that did gave widely varying answers. Among national officials figures were given which varied from less than 50 per cent to more than 300 per cent. Among local officials there were even wider variations. 13 officials said the use of their procedure had increased by more than 300 per cent. All but two of these officials were employed in engineering.

57. *The Use of Informal Disputes Procedures:* Questions were also asked designed to discover how far there had been similar increases in cases and references dealt with "outside the official procedure". Twenty-two per cent of national association officials and 8 per cent of national federation officials said that there had been such an increase over the last 10 years. None reported a decrease. Officials of most local associations said there had been no change, and only 4 said there had been a decrease. In engineering about half claimed an increase. There were similarly wide variations in the rate of increase estimated. A fifth of engineering officials claimed increases of more than 300 per cent.

58. Only a handful of organisations offered any reasons for the increase in the use of procedures. Those that did usually mentioned improved and more active union organisation. Respondents were also asked if the number of cases dealt with outside procedure last year had been "greater or less than or about the same as the number dealt with through official procedure". Only a minority said that there was a growth in the relative importance of informal procedures, but among local associations the relative importance of informal settlement was stressed most frequently in printing.

59. *Changes in Systems of National Negotiation and Disputes Procedures:* Respondents were asked if they would like to see any changes in their system of national negotiations or in their procedures for settling disputes. The great majority, both at national and local level, seemed satisfied with things as they were. Only 32 per cent of national officials and 19 per cent of local officials wished to see any change at all. This general degree of satisfaction extended both to those who reported an increase in the number of disputes raised and those who admitted that there had been an increase in the number of strikes in breach of the procedure—see further below. The outstanding exception to

this general picture of satisfaction was in printing, where most local officials said they would like to see changes.<sup>1</sup> (By contrast only 25 per cent of officials in engineering were in favour of change.)

60. Those who said they would like to see changes were asked for details. Three national officials and quite a few local officials suggested the increased use of arbitration. Other frequent suggestions were for the speeding up of procedure and, in printing especially, a reduction in the number of unions. When asked why these changes could not be made, over half of those to whom the question applied replied that the fault lay with the unions.

## I. RESEARCH AND INFORMATION

61. About 7 out of 10 officers said that their organisations collected statistics and the majority relied on returns from members for the data. In almost all cases the figures collected were limited to earnings and the size of the labour force. (They did not usually include hours of work.) Over half the national federation officials, but less than a quarter of the national association officials, said that any research was done for their association at national level. Those who claimed that research was undertaken were asked for details. It appears from their answers that these studies mainly concern the technical problems of production. Seventy-two per cent of national organisations, and 71 per cent of local associations, provide their members with a regular information service.

## J. STRIKES AND OTHER SANCTIONS

62. Seventy-two per cent of national officials and between 50 per cent and 70 per cent of every type of local association said that there had been no change in the number of strikes in member firms over the last ten years. (Officials of 6 national organisations claimed that they had never had any strikes.) Very few organisations admitted that there had been an increase in the number of strikes in the last ten years. The main exceptions were in engineering, where 36 per cent of local officials said that they had had more strikes. The overwhelming majority who admitted to more strikes said that they were for the most part unconstitutional strikes—i.e. strikes in breach of the procedure.

63. The most frequently cited reason for an increase in strikes was the inability of full-time union officers to control unruly elements, especially shop stewards. Only two officials mentioned lack of firm management. Over two-thirds of the engineering officials who reported an increase in strikes said that they took place before procedure within the plant had been exhausted.

64. Increases in other forms of pressure, such as threats to strike, overtime bans, working to rule, etc., were reported by considerably more respondents than reported an increase in strikes. The same sort of reasons were given.

## K. INEFFICIENT LABOUR PRACTICES

65. Fifty per cent of national officials said that there were no "particularly time wasting and inefficient labour practices" among their member firms. Local associations were equally divided, although 77 per cent of printing

<sup>1</sup> It must be appreciated, however, that the sample of printing officials was a relatively small one.

officials and 61 per cent of engineering officials said that among member firms in their association such practices existed. In reply to requests for details, the most frequently mentioned examples were overmanning, insistence on job demarcations (mentioned by 77 per cent of officials in printing) and time wasting by extending tea breaks etc. The most commonly advanced reasons included union attitudes and rules and habit or human nature. Asked what policy their association had for getting rid of such practices, the majority affected replied simply "to negotiate with the union". Thirty-one per cent of local engineering officials—but virtually no one else—mentioned putting pressure on management.

## L. RELATIONS WITH TRADE UNIONS

66. *Manual Workers' Unions*: Eighty-eight per cent of national association officials and 41 per cent of national federation officials said that their organisations dealt with fewer than five unions. Forty-one per cent of federations dealt with more than ten. The majority of local officials in building and printing dealt with between 5 and 9 unions; the majority of those in engineering dealt with more than 10.

67. *Non-Manual Workers' Unions*: Eighty-eight per cent of national officials said that their organisations did not deal with any non-manual unions. Over half of those interviewed in local engineering associations claimed that their association dealt with between 1 and 4 non-manual unions. Forty-one per cent said they dealt with 5 or more. Over 90 per cent of respondents in building and printing said that they dealt with no non-manual workers' unions.

68. Asked what was the attitude of their organisation towards non-manual workers' unions the great majority said either that the question did not arise or that when it did the association was "neutral". Nine per cent of national officers and 24 per cent of local officers said that their organisation was opposed to the organisation of non-manual workers (38 per cent of local printing officials said their organisations were opposed). Three per cent of national organisations and 9 per cent of local associations said that they encouraged the organisation of non-manual workers.

69. *Union Competition*: Officials were asked whether the unions they dealt with competed amongst themselves for membership. About half the national officials said that they did and among local officials the proportions varied widely. The great majority of local engineering officials said there was competition, but only a minority of printing officials said they had experienced competition. Almost all officials not employed in the engineering industry thought that if there was competition it was unimportant. In engineering a majority thought that competition among unions was either "quite important" or "very important".

70. Only 10 per cent of national officials said they had any problems of demarcation between unions, although rather larger numbers of officials at local level in printing and engineering had demarcation problems (64 per cent of local officials in engineering and 77 per cent in printing thought that demarcation problems were either "quite important" or "very important").

71. *Shop Stewards and Union Full-Time Officials*: Thirty-four per cent of national officials said that there had been an increase in recent years in the

influence of shop stewards and the rest who answered the question thought there had been no change. Nobody thought that shop stewards' influence had declined. The opinion of local association officials varied from industry to industry, although once again virtually nobody thought that shop stewards' influence had declined. In building and printing most of those who answered the question thought that shop stewards' influence had remained the same, although a sizeable minority thought it had increased. In engineering 64 per cent of local officials said that there had been an increase in shop stewards' influence. Among national officials 27 per cent of those who said that there had been an increase in shop stewards' influence thought it had been at the expense of full-time union officials; among local officials the proportion was 59 per cent.

72. Officials were asked whether full-time union officials played an important part in their local system of negotiation and consultation in comparison with shop stewards. Only 5 per cent of national officials and 2 per cent of local officials said that they played an unimportant part. 26 per cent and 20 per cent said they were quite important and the rest thought they were very important. Respondents were then asked if they would like to see full time officials play a more important part. Only 14 per cent of national officials and 22 per cent of local officials said yes. Forty-four per cent of engineering officials said yes, but 50 per cent were convinced that they already played a sufficiently important part.

#### M. POLICY FORMULATION AND INFLUENCE OVER MEMBERS

73. *Deciding Policy:* Officials were asked what arrangements there were for deciding major policy issues. Most national officials who answered said there was a committee structure for this purpose. Some local officials said that they had a committee structure, but others said they took decisions at a "general meeting of members". Forty-one per cent of local building officials said that their major policy decisions were taken at national level. The majority of respondents in national organisations thought that the larger firms had more influence in the association than other firms.

74. *Influence Over Members:* Officials were asked if they tried to influence the industrial relations activities and decisions of member firms. There were widely varying answers. Seventy-two per cent of national association officials and 42 per cent of national federation officials said that they made little or no attempt to do so; 13 per cent and 42 per cent said they tried to influence members "a fair amount"; 14 per cent of all national officials said that they tried to influence their members "a lot". Among local officials 37 per cent said that they made little or no attempt, whereas 56 per cent of engineering officials said they tried to influence their members "a lot" and a further 22 per cent said they sought to influence them "a fair amount". On the other hand only 17 per cent of local building officials tried to influence their members a lot while 48 per cent sought to influence them a fair amount.

75. *Sanctions:* Respondents were asked if any firms had been expelled from their association during the last five years because of policy disagreements. Only 2 national officials and 4 local officials said yes—i.e. about 3 per cent of the sample. They were then asked if they could give details of the

last instance where a member firm was expelled. Most examples appeared to concern issues other than industrial relations questions—e.g. one firm was expelled because it was found to have affiliated on only an eighth of its total labour force, while another was found to indulge in "sharp commercial practices". Three firms appeared to have been expelled for what were obviously industrial relations reasons, two for refusing to apply national agreements and one because they refused to close down all their plants during a national dispute. A few local officials and one national official said that their organisation had sanctions "short of expulsion" which could be used if members did not follow out association policy. There was very little evidence of the use of such sanctions.

76. *Whether Sufficient Influence*: Less than 29 per cent of national officials and only 15 per cent of local officials said that they had insufficient influence over members. The minority who felt that they did not have enough influence was much larger in printing (38 per cent) and building (35 per cent). In engineering only 3 per cent of local officials said they had insufficient influence.

## N. OFFICIALS AND STAFF

77. Several questions were asked about the duties and qualifications of officials and staff, but they did not always elicit much useful information. For example, it is known that in some cases firms of solicitors and accountants in effect run a number of relatively small associations; but it was not possible to find out more details concerning this practice in particular cases. Similarly, often respondents were unable to distinguish between "officials" and "staff", and this sometimes resulted in nonsensical answers.

78. One fact that did emerge was that 9 out of 35 national organisations (together with a large number of local associations) had no full-time employees at all. However, it should be noted that all but one of these national organisations was a relatively small one. Other facts it was possible to discover about the officials and staff of employers' organisations are summarised below.

79. *Duties of Officials*: Asked to list the duties of full-time officials, the great majority who answered mentioned advice on policy and the provision of services to members. Seventy-five per cent of those employed by local associations in engineering and 85 per cent of those in printing said officials were used to represent the organisation on external bodies (e.g. Government or commercial bodies, etc.). Another frequently mentioned duty was representing the association in formal negotiations with trade unions. It was not possible, as had been hoped, to obtain reliable figures for the numbers engaged in various activities.

80. *Background and Qualifications of the Chief Officials*: Only one national organisation and two local associations had women as their chief officials. Chief officials under 40 were more common in local associations than national organisations. Half of those interviewed in national federations said that their age was between 55 and 59. Among local associations the largest proportion of older officials seemed to be in engineering, where 31 per cent said that their chief official was over 60. The largest number of younger chief officials were in local building associations, where 41 per cent said that their chief official was under 44.

81. Chief officials interviewed were also asked what their previous jobs had been. Their answers are set out below:—

	National Associations	National Federations	Local Associations (EEF) Per cent 33	Local Associations (NFBTE) Per cent 24	Local Associations (BFMP) Per cent 8
Accountant/Solicitor	Per cent 11	Per cent 17			
Official of Employers' Association ...	19	75	25	31	61
Work in Trade Represented ...	24	8	11	10	23
Industrial Relations Job ...	11	—	14	—	—
Other Jobs ...	35	—	17	35	8

82. It will be noted that very few had any previous experience of an industrial relations job as such, although this does not mean that those who worked in the trade represented did not deal with trade unions. The relative importance of finance and the law as a source of recruitment is obvious enough and in most cases, printing apart, finance and the law appear to be a more common source than work in the industry to be served. It also appeared that virtually none of the chief officials interviewed had any training for their job other than experience, although well over half claimed a professional or academic qualification. As might be expected the most common qualifications were related to finance or the law, especially in engineering. Over a quarter of chief executives of national associations and about a third of those in national federations said that they had university degrees.

#### O. RELATIONS WITH OTHER ORGANISATIONS

83. Forty per cent of officials in national organisations said that other employers' organisations recruited among their members. Local officials gave very varied answers to this question, depending on the industry they were in. 80 per cent of local building association officials said that there was competition, but only 20 per cent of engineering officials said so. Virtually no officials thought that such competition as existed was of great importance, but 9 per cent of national officials thought it important enough to be in favour of a merger with the competing association. The advantages of this were said to consist in the avoidance of duplication and the provision of improved services. Nobody mentioned greater strength in dealing with trade unions.

#### P. CONCLUSIONS

84. This section first attempts to relate what the survey has revealed to Mr. Munns' less extensive but more detailed study. The objective is to see how far the information in the survey supports or modifies the general view of the functions and organisation of employers' associations that emerges from his paper. A second objective is to draw a number of conclusions from certain additional information provided by the survey.

85. There can be no doubt that in general the survey supports Mr. Munns' findings and conclusions, and suggests that his study may be regarded as broadly representative. This conclusion can best be proved by taking his main descriptive chapters in turn and listing, briefly, the supporting evidence contained in the survey.

86. Four points arise in respect of Chapter I, which concerns membership and coverage. First, there is a similar diversity in membership size and workers covered in different associations. (The survey also shows that there are many local associations that are larger than some national associations, and suggests that about a quarter of the national associations are so small that they do not feel the need for full time officers or staff). Secondly, there are similarly wide variations in the degree of potential membership which has been recruited into different associations, and as Mr. Munns discovered it is rare for actual membership to rise above the level of 90 per cent of potential. Thirdly, as in the case of the Munns sample, it is generally agreed that on the whole non-members are small firms. Finally, the extent of non-membership in the great majority of cases does not appear to be a matter of much concern to officials or their associations. As Mr. Munns agreed, there is little indication that new members are positively sought, although they are welcomed if they join. In any case most officials imply that it would make little or no difference to the organisation if it managed to achieve 100 per cent representation.

87. Two specific points arise in respect of the information contained in Chapter II, which concerns the objects and scale of employers' association activities. First, a similar diversity is again revealed in the functions performed by different organisations, both at national and local level. Secondly, as might be expected, this is accompanied by very wide variations in the level of annual income. Mr. Munns in his paper seeks to explain variations in the scope of an employers' association's functions by reference to the needs of the members and their desire for common services and common action. There is no direct evidence on this point in the survey, but it can be said that what has been discovered is not incompatible with such an explanation.

88. No less than five points arise in relation to Chapter III, which concerns the industrial relations activities of employers organisations. First, the survey shows that only a small minority of national organisations seek to negotiate wage rates and conditions for staff workers. Mr. Munns is therefore quite right when he states that "generally employers prefer to deal with these grades of worker on an individual or on a company basis". Secondly, the survey amply supports his contention that the main form of wage negotiations carried on by employers' associations is the settlement of basic rates for manual workers. Only four national officials claimed their organisation did more than settle basic rates, which member firms were free to add to or supplement if they wished. One of those that did abandoned the claim when pressed for details. Even those who claimed to settle effective rates admitted that member firms sometimes wished to pay above the national rate, and one of them said that no attempt was made to stop them. The two that tried said they could only use "persuasion" and one of them admitted that the result was "a very wide spread in actual earnings".

89. Thirdly, the answers given by national and local officials to questions designed to see how far their organisation sought to influence and control the wages paid by individual members reinforces Mr. Munns' contention that in the great majority of cases employers' associations cannot be said to be trying to "eliminate wage competition", except in the purely formal sense that their regulation of basic rates eliminates undercutting, or would if there were any. This helps to explain why, in another part of the survey, it is revealed that in most cases "only a few" workers in member firms receive no more than the national rate.

90. Fourthly, the general satisfaction of the great majority of officials with the degree of influence which they have, and the absence of any widespread desire for a change in their national system of negotiations, supports Mr. Munns' assertion that, at the present time, "there is no indication that employers' organisations seek more power to control earnings levels".

91. Finally, the growing use of both formal and informal procedures is not seen as a sign that here is something wrong with existing systems of dispute settlement—a point also noted by Mr. Munns. In fact most officials do not wish to see any change in existing dispute procedure at all. It could be argued that this satisfaction derives from the fact that most officials also maintain that there has been no increase in strikes in recent years, but it is difficult to take this statement at its face value. (After all, the official statistics show a more or less steady increase in strike activity over the last decade affecting most industries, apart from mining).

92. One other point of agreement which emerges from the survey concerns Chapter IV of Mr. Munns' study, which is about the non-industrial relations activities of employers' organisations. There is support for his view that these are of growing importance. Indeed the survey suggests that officials who are responsible for these matters, as well as industrial relations, now spend the greater part of their time on them.

93. In fact there appear to be only two comparatively minor ways in which the survey can be said to correct or materially alter Mr. Munns' picture of employers' associations. First, the survey would suggest that rather more employers' associations than his study implies confine their activities to industrial relations matters, and do not function as trade associations. Mr. Munns found only one purely industrial relations organisation; whereas the survey suggests that just under one in four employers' organisations are of this type.

94. Secondly, it is clear that the survey indicates a rather more widespread and rapid growth in the use of official and unofficial dispute procedures than was found in Mr. Munns' study. It is not merely that most national procedures are now used more than they were ten years ago; it is that many are used more than twice as much and some more than three times as much. Moreover, at the same time there has been a roughly equal increase in the use of unofficial procedures.

95. Other information provided by the survey mainly concerns three different topics: the staffing and administration of employers' associations, relations with trade unions and inefficient labour practices. On the first of these

it is interesting to note that the survey shows that a background in finance and the law appears to be the main external training ground for many employers' association officials. It is also evident that in respect of research and statistical services many associations remain in a relatively primitive stage of development.

96. On the question of relations with trade unions two facts are revealed which can be said to be of some importance. First there is widespread acceptance of the fact that in recent years the influence of shop stewards has increased, although there is some dispute about how far this has been accompanied by a corresponding decline in the relative importance of full-time union officers. Contrary to what is sometimes said most employers' officials think that the latter continue to play an important part in local negotiations. No doubt this increase in steward influence is partly related to the increasing use of procedures, which has already been noted above.<sup>1</sup>

97. Secondly, when asked what the attitude of their association is towards non-manual workers joining unions most employers' association officials state that they are, or would be, "neutral". But a significant minority express open opposition, and only a few suggest that they would encourage such a development. This evidence clearly supports the conclusions of Mr. Bain, in his Research Paper on *Trade Union Growth and Recognition*.<sup>2</sup> Mr. Bain suggested that there still were a number of employers' associations that were hostile to the growth of white-collar unionism, and concluded that in most industries although individual employers may have granted recognition to unions catering for white-collar employees few employers' associations have done so.<sup>3</sup> (This statement is, of course, also supported by the fact that in the survey only a small minority of organisations are found to have negotiated wages and conditions agreements with white-collar unions.)

98. Finally, the survey contains some information about the extent and forms of inefficient labour practices, as they appear to employers' association officials. It is perhaps notable here that there were wide variations in the answers given from industry to industry.<sup>4</sup>

<sup>1</sup> It is also supported by the views of managers on this topic in the Royal Commission's workshop relations survey. A Research Paper containing the first results of this study will be published shortly.

<sup>2</sup> Royal Commission's Research Papers 6, HMSO, 1967, 10x. 6d. net.

<sup>3</sup> Op. cit. page 68.

<sup>4</sup> The information on inefficient labour practices, should also be considered in conjunction with the similar information on these questions which is contained in the Royal Commission's survey of workshop relations.

**APPENDIX**  
**SCHEDULE OF QUESTIONS USED IN SURVEY OF  
 EMPLOYERS' ASSOCIATION REPRESENTATIVES**

Interviewer..... Interviewer No.

No. of calls made..... Date of interview..... Code

Time of starting..... Time of finishing.....

Reason for non/incomplete interviews:

1. Name of (Local) Employers' Association (RECORD).....

.....

**ASK NATIONAL ASSOCIATIONS ONLY**

2. How many local associations or branches are there in your association? .....



**ASK ALL**

3. Does your association deal with trading or commercial matters as well as labour matters?

YES  
NO

1  
2

4. How many firms are members of your association? .....



a) How many firms are eligible for membership? .....

5. What is the total number of people employed in firms belonging to your employers' association? .....

a) What is the total labour force of all eligible firms?

.....

6. How many member firms have joined your association -

a) in the last 12 months? .....

b) in the last 5 years? .....

7. Are there firms which are eligible to join your association but have not joined?

13

十一

(IV, 733)

7e. On the whole are these the smaller firms or the larger firms?

SMALLER  
LARGER  
MUTATION

1  
2  
3

7b. Are most of the firms which have not joined your association unionised or non-unionised?

UNIONISED  
NON-UNIONISED  
DK

137

7a. How much difference would it make to the association if the eligible firms did join +

۷۰۸

A LOT OF DIFFERENCE  
A SLIGHT DIFFERENCE  
OR NO DIFFERENCE?

7d. Why do you think they haven't joined?

8. Have any firms left your association in the last 5 years because of policy disagreement?  Yes  No

YES  
NO

34

(if yes) a) How many?

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b) Why did each of them leave?

9. Are there any other employers' associations that recruit among your member firms?  Yes  No

1

If yes, go) Which association?

en) What type of industry do they represent?

9a) Does this result in work overlapping in any way?

YES 1  
NO 2

(if yes) a) Do you consider that this overlap is of -

PROMPT GREAT IMPORTANCE  
PAIR DISPARAGE  
OR IS IT NOT IMPORTANT AT ALL?

(IF GREAT OR FAIR IMPORTANCE (Codes 1 and 2))

e) Do you think there would be any advantage in a merger?

YES 1  
NO 2

(IF YES) f) What would the advantages be?

10. Do you have contact with any other employers' associations or trading associations? YES

YES  
NO

(IF YES) 10a. Which associations?

10b. What is the nature of the contact?

## FUNCTIONS

## ASK NATIONAL ASSOCIATIONS ONLY

11. Can you tell me which of the following functions are performed by your association at the national level -

SHOW CARD  CODE ALL THAT APPLY:

- i) The operation of disputes machinery
- ii) Other national and/or local negotiations with trade unions
- iii) Other guidance and advice on industrial relations
- iv) Representation to government/participation in various government committees?
- v) Technical, commercial, and educational functions?
- vi) Public relations?
- vii) Other functions? (specify)

1	→ ASK Q 16-18
2	→ ASK Q 19
3	→ ASK Q 4 & 15
4	
5	
6	
7	

a) On which one of these is most time spent by staff?

b) Have any of these functions increased or decreased markedly in recent years?

YES, INCREASED  
YES, DECREASED  
NO

1	
2	
3	

c) Can you tell me which of these functions are carried out by the local associations or branches at the local level?

12. Are there any other functions which are carried out by your local associations or branches?

IF YES: a) What are they?

YES  
NO

1	
2	

## ASK LOCAL ASSOCIATIONS ONLY

13. Can you tell me which of the following functions are performed by your association at the local level -

SHOW CARD  CODE ALL THAT APPLY:

- i) The operation of disputes machinery
- ii) Other national and/or local and/or district negotiations with trade unions
- iii) Other guidance and advice on industrial relations
- iv) Representation to government or public authorities/participation in various government committees?
- v) Technical, commercial, & educational functions
- vi) Public relations
- vii) Other functions (specify)

1	→ ASK Q 16-18
2	→ ASK Q 20-26
3	→ ASK Q 4 & 15
4	
5	
6	
7	

a) On which of these is most time spent by staff?

b) Have any of these functions increased or decreased markedly in recent years?

YES, INCREASED  
YES, DECREASED  
NO

1	
2	
3	

IF YES TO 11(4)(a) OR 13(4)(a) (Industrial relations guidance and advice) -  
ASK Q14 AND Q15

14. What are the main problems that your member firms ask for guidance and advice about?

15. Do you ever give guidance and advice about:

SHOW CARD CODE ALL THAT APPLY:

- a) Labour recruitment? 1
- b) Forecasting labour needs? 2
- c) Training and education? 3
- d) Job classification? 4
- e) Legislation? 5
- f) The introduction of bonus schemes or wage structure? 6
- g) Work study? 7
- h) The efficient utilisation of labour? 8
- i) Redundancy policies? 9
- j) Disciplinary procedure? 0

IF YES TO 11(4) OR 13(4) (The negotiation of disputes machinery) above -  
ASK Q16-18

16. Has there been any change in the total number of cases or references raised through the official procedure over the last ten years?

YES

YES 1  
NO 2

(IF YES)

a) Has there been an increase or decrease?

INCREASE 1  
DECREASE 2

b) By what percentage would you say that the total number of references raised through the official procedure has increased/decreased in the last ten years?

c) Why has this happened?

d) Has this increase/decrease been the same at all levels of the procedure?

YES 1  
NO 2

IF NO: e) At what level(s) has it been greatest?

17. Has there been any increase or decrease or has there been no change in the total number of cases referred to the association and dealt with outside the official procedure over the last 10 years?

INCREASE	1
DECREASE	2
NO CHANGE	3

(IF INCREASE/DECREASE)

- a) By what percentage would you say that the total number of cases referred has increased/decreased in the last 10 years?

- b) Why has the number increased/decreased?

18. Was the number of cases dealt with outside procedure last year greater or less than or about the same as the number dealt with through official procedure?

GREATER	1
LESS	2
ABOUT THE SAME	3

ASK NATIONAL ASSOCIATIONS ONLY:

IV YES TO 11(1) (The conduct of national and/or local negotiations with trade unions) above - ASK Q19

19. Do you negotiate national wage rates and conditions for:-

i) Manual workers?	YES	1
	NO	2

ii) Staff workers?	YES	3
	NO	4

IF MANUAL WORKERS:

a) Are negotiations over national wage rates in effect a way of settling:-

i) basic rates only, allowing management at local level to agree higher or supplementary rates?

YES	5
NO	6

ii) effective rates, with very little freedom to negotiate other rates at local level?

YES	7
NO	8

IF YES (5): b) Do your local associations try to exert any control over local rates which are in addition to national rates?

YES	1
NO	2

IF YES (1): c) How?

IF YES (7): d) Do any of your members ever wish to pay above the national rate?

YES	3
NO	4

IF YES (3): e) How do you try to prevent them from doing so?

ASK LOCAL ASSOCIATIONS ONLY:

IF YES TO 13(i) (The conduct of national and/or local and/or district negotiations with trade unions) - ASK Q30

20. Do you make agreements with trade unions over terms and conditions of employment for:

(a) manual workers?

YES	1
NO	2

(IF YES) Do these agreements cover

i) Wages?

YES	1
NO	2

ii) Other matters? (specify)

YES	1
NO	2

IF YES TO a(i) Wages

(b) Are these -

(i) additions or supplements to national rates which are the only additions or supplements to national rates which individual employers are allowed to make?

YES	1
NO	2

(ii) additions or supplements to national rates which individual employers may increase at their own discretion?

YES	3
NO	4

(iii) additions or supplements to national rates which individual employers must observe but which do not preclude those employers from making other additional or supplementary payments?

YES	5
NO	6

(iv) Other wage rates? (Please specify)

YES	7
NO	8

(IF YES TO b(ii) or b(iii)) - CODES 3 or 5

(c) How much does your association influence the amounts which individual employers pay above the rates in national and district (or local) agreements?

A LOT	1
A FAIR AMOUNT	2
A LITTLE	3
OR NOT AT ALL	4

21. Do you make agreements with trade unions over terms and conditions of employment for staff workers?

YES	1
NO	2

22. Can you say roughly what proportion of the manual workers, in your member firms are on -

i) time rates of all kinds?.....?

ii) some form of payment by results? .....?

(ASK IF ANY ON TIME RATES)

23. How many of those on time rates are receiving no more than the national rate for their job (excluding overtime, shift premiums etc.)? -

PROMPT	1 MORE	2 SOME	3 OR ONLY A FEW
--------	-----------	-----------	--------------------

ASK IF ANY ON SOME SYSTEM OF PAYMENT BY RESULTS:

24. How many of those on some system of payment by results, receive no more than the nationally agreed minimum level of earnings? -

PROMPT	1 MORE	2 SOME	3 OR ONLY A FEW
--------	-----------	-----------	--------------------

TO NATIONAL ASSOCIATIONS ONLY

25. Are there any district rates in your association?

YES	1
NO	2

IF YES: a) Do they result in any substantial differentials for workers in the same occupations in particular districts?

YES	1
NO	2

ASK ALL NATIONAL ASSOCIATIONS  
AND LOCAL ASSOCIATIONS WHICH DEAL WITH TRADE UNION NEGOTIATIONS  
(Q.13 code 2)

Negotiations

26. Are you ever involved in negotiations with Trade Unions?

YES  
(Go to Q.27)      NO

1  
2

IF YES: a) What arguments do Trade Unions use to advance  
their claims?

b) Do they ever use any of the following arguments?  
(IND, PGPMPES)

M.C.

COST OF LIVING?	1
THE LEVEL OF PROFITS (IN THE INDUSTRY)?	2
COMPARISONS WITH OTHER WORKERS IN THE SAME PLACE OF WORK?	3
COMPARISONS WITH OTHER WORKERS IN DIFFERENT PLACES OF WORK?	4
CHANGES IN THE NATURE OF THE JOB?	5
ABNORMAL CONDITIONS OF WORK?	6
OTHER (SPECIFY)	7

IF MORE THAN ONE ARGUMENT:

- a) Which of these arguments do you feel most influences your  
side of the negotiations?

27. Apart from the arguments advanced by Trade Unions, what other considerations do you take into account in negotiations?

Do you take into account -

INABILITY TO ATTRACT SUITABLE LABOUR?	1
PRODUCTIVITY?	2
PROFITABILITY?	3
OTHER (SPECIFY)	4
	5

- a) Which one of these considerations has been of most importance in recent years?

28. Are there more strikes among member firms now than there were ten years ago?

YES, MORE	1
NO CHANGE	2
FEWER STRIKES	3

IF INCREASE a) Why do you think there has been an increase?

- b) What proportion of the increases is represented  
..by unconstitutional strikes?

- c) At what stage of the procedure do most of these stoppages take place -

PROMPT	AT FOREMAN LEVEL	1
	WITHIN THE PLANT	2
	OR ABOVE PLANT LEVEL?	3

ASK ALL

29. Has there been any change in the use of other forms of pressure among member firms such as threats to strike, overtime bans, working to rule, 'go slow', etc?

YES	1
NO CHANGE	2

IF YES: a) Have they increased or decreased?

INCREASED	3
DECREASED	4
SOME INCREASED, SOME DECREASED	5

IF INCREASED: b) Why do you think this is?

30. When employees take unconstitutional industrial action do member firms get in touch with your Association immediately?

YES 1  
NO 2  
NEVER HAPPENS 3

IF YES: a) When this happens, does your Association -

INHW. (i) advise the firm what to do,  
PROMPTS (ii) get in touch with local full-time union officials,  
(iii) or take any other action (SPECIFY)?

3  
4  
5

31. Has there been any change in recent years, among member firms, in the influence of shop stewards?

YES 1  
NO 2

IF YES: a) Has there been an increase or decrease?

INCREASE 3  
DECREASE 4  
D.K. 5

IF INCREASE: b) Has this been at the expense of local full-time union officials?

YES 1  
NO 2

32. In comparison with the importance of shop stewards in your system of negotiation and consultation at local level would you say that full-time trade union officers are -

UNIMPORTANT 1  
QUITE IMPORTANT 2  
or VERY IMPORTANT 3

a) Would you like to see full-time-union-officials-play-a more important part in local negotiations in your industry/trade or not?

YES 4  
NO, WOULD NOT LIKE TO SEE THEM PLAY MORE IMPORTANT PART 5  
NO, PLAY IMPORTANT PART ALREADY 6  
D.K. 7

33. Would you like to see any changes in your system of national negotiations or procedures for settling disputes?

YES 1  
NO 2

IF YES: a) What are these?

b) Why can't they be made?

TO NATIONAL ASSOCIATIONS ONLY

34. Are there any particularly time-wasting and inefficient labour practices in your industry?

YES  
NO  
D.K.

34. TO LOCAL ASSOCIATIONS

- Are there any particularly time-wasting and inefficient labour practices in your area?

YES  
NO  
D.K.

TO ALL:

IF YES (codes 1 or 4) a) What are they? ←

b) What causes this?

c) What policy does your Association have for getting rid of these practices?

Discipline

35. Have any firms been expelled from your association in the last 3 years because of policy disagreements?

YES  
NO

IF YES: a) How many? .....

b) Thinking of the last (that) case, why was the firm expelled?

36. Are there any sanctions short of expulsion which it is possible for your association to use if member firms do not follow the policy of the association?

YES	1
NO	2

IF YES: a) Have these sanctions ever been used?

YES	3
NO	4

IF YES (3): b) What were the circumstances?

37. Do you feel you have sufficient influence over member firms?

YES	1
NO	2

38. Do you try to influence the industrial relations activities and decisions of member firms -

A LOT	1
A FAIR AMOUNT	2
A LITTLE	3
OR NOT AT ALL?	4

39. What is the attitude of your association towards non-manual workers being organised in trade unions?

40. How many trade unions do you deal with:

REPRESENTING MANUAL WORKERS .....

REPRESENTING NON-MANUAL WORKERS .....

REPRESENTING BOTH? .....

41. Do the unions you deal with compete for members?

YES	1
NO	2
VERY IMPORTANT	3
QUITE IMPORTANT	4

IF YES: a) Do you consider that this is -

PROMPT

OR UNIMPORTANT?

42. Have you any problems of demarcation between unions?

YES	1
NO	2

IF YES: a) Do you consider that this is -

PROMPT

OR UNIMPORTANT?

Employers' Associations

43. How many full-time employees are there on the staff of your association at the national level?

a) Of these, how many are - Officials .....  
Other .....

IF NO FULL-TIME OFFICIALS FOR THIS ASSOCIATION

b) How many part-time officials are there for this Association?

IF ANY OFFICIALS (EXCLUDING INFORMANT) ARE:

c) What are the duties of these Officials  
(what do they actually do?) PLEASE LIST

d) Have they had any  
special training  
for the job apart  
from experience?

(1)	YES	1
	NO	2
	D.K.	3
(2)	YES	1
	NO	2
	D.K.	3
(3)	YES	1
	NO	2
	D.K.	3
(4)	YES	1
	NO	2
	D.K.	3
(5)	YES	1
	NO	2
	D.K.	3
(6)	YES	1
	NO	2
	D.K.	3
(7)	YES	1
	NO	2
	D.K.	3
(8)	YES	1
	NO	2
	D.K.	3
(9)	YES	1
	NO	2
	D.K.	3
(10)	YES	1
	NO	2
	D.K.	3

44. What is the approximate annual income of your association?

£.....

45. Do you think that the annual income of your association is sufficient to enable it to carry out all the functions it ought to perform?

YES  
NO  
D.K.

1  
2  
3

IF NO: a) Why aren't subscriptions increased?

b) What functions do you think it ought to perform, but which it is prevented from carrying out, because of lack of resources?

46. Does your association collect any statistics?

YES  
NO

1  
2

IF YES: a) What kinds of statistics does it collect?

b) What are the statistics compiled from?

TO NATIONAL ASSOCIATIONS ONLY:

47. Is any research done for your association at the national level?

YES  
NO

1  
2

IF YES: a) What kind of research?

ASK ALL:

48. Do you provide a regular information service for members?

YES  
NO

1  
2

49. Would you say that the larger firms in your association have more influence, about the same amount of influence, or less influence than other firms?

MORE  
SAME  
LESS

1  
2  
3

50. What arrangements are there for deciding major policy issues?

51. Do you feel that the smaller, medium or larger firms in your association gain most from membership in it, or do all sizes gain equally?

SMALLER	1
MEDIUM	2
LARGER	3
ALL EQUALLY	4

52. What do you consider are the major advantages of membership in your association?

53. And what do firms lose by not being members?

#### NATIONAL ASSOCIATIONS GO TO CLASSIFICATION

ASK LOCAL ASSOCIATIONS ONLY

##### Relationship with Federation

54. What are the main benefits which the Association derives from belonging to the national Federation?

M.C.

- |           |   |   |
|-----------|---|---|
| INFLUENCE | (i) Greater strength through national bargaining?   | 1 |
| PROMPTS   | (ii) A further stage in disputes procedure?   | 2 |
|           | (iii) Provision of 'background' services - advice and information to officials?             | 3 |
|           | (iv) A channel to national government to represent employers' interests?                    | 4 |
|           | (v) Power to achieve common action outside the wages field (eg. standard forms of contract) | 5 |
|           | (vi) Other (Specify)  | 6 |

55. Has the value of belonging to the national Federation increased, decreased or remained the same over the last five years?

INCREASED	1
DECREASED	2
REMAINED THE SAME	3

IF INCREASED/DECREASED

- a) Can you say in what respects the value has increased/decreased?

56. How much influence do your member firms generally feel they exert on the formulation of national Federation policy through this Association?

A GREAT DEAL	1
A FAIR AMOUNT	2
VERY LITTLE	3
NONE	4

IF A GREAT DEAL/VERY LITTLE

- a) How frequently do national decisions on policy differ from the aims of your Association locally?

FREQUENTLY	1
SOMETIMES	2
SELDOM	3

57. Do you personally, or any of your staff:

- (i) attend meetings of the Council of the National or Regional Federation to which your Association is linked? 1
- (ii) represent the Association in any external bodies or government committees? 2
- (iii) represent the Association in formal negotiations with trade unions? 3
- (iv) conduct the public relations activities of your Association? 4

IF ANY NOT CODED, ANSWER

- a) Are employer members of the Association appointed or elected to carry out any of those functions?

YES	X
NO	O

IF YES: b) Which ones? (PLEASE WRITE IN CODE NUMBERS  
IN THIS SPACE)

ASK ALL

58. Does your own job involve these features:

PROMPT: (i) Execution of policy?  
 (ii) Advice on policy?  
 (iii) Provision of services to members?  
 (iv) Servicing of meetings?  
 (v) Any other main features? (Please specify)

**CLASSIFICATION (Chief Executive/Official)**

29. Sex.

1112  
PRIVATE

10

6D. Age last birthday

YEAR 1

61. What was your job before you became secretary of this association?

62. Have you had any training for this job other than experience? yes

1

(12 yrs). a) What kind of training?

63. Have you ever professional or academic qualifications?

YES

1

(77 yrs). a) Breast Cancer

ROYAL COMMISSION ON TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

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Royal Commission on Trade Unions and  
Employers' Associations

RESEARCH PAPERS

7

Employers' Associations

The Results of Two Studies:

1. *The Functions and Organisation of Employers' Associations  
in Selected Industries*  
by V. G. Munns
2. *A Survey of Employers' Association Officials*  
by W. E. J. McCarthy

LONDON  
HER MAJESTY'S STATIONERY OFFICE  
1967

## Foreword

This publication is the seventh in the series of Research Papers specially prepared for the Royal Commission on Trade Unions and Employers' Associations and concerns the operation of employers' associations. It contains two complementary studies written by members of the Commission's staff.

The studies are partly based on evidence submitted to the Royal Commission by employers' associations and the Confederation of British Industry, but they also contain the results of considerable original research. Much of this research was undertaken for the Royal Commission by the Government Social Survey.

The opinions expressed therein are those of the authors named. They should not be taken as necessarily representing or foreshadowing the views of the Royal Commission.

*Royal Commission on Trade Unions and Employers' Associations*

*Lacon House*

*October 1967*

## CONTENTS

Preface W. E. J. McCarthy

<b>1. The Functions and Organisation of Selected Employers' Organisations by V. G. Munns</b>						
						<i>Paragraphs Page</i>
<b>Introduction</b>	...	...	...	...	...	1-14      1
<b>Summary</b> ...	...	...	...	...	...	15-91     4
<b>CHAPTER I. MEMBERSHIP AND INDUSTRIAL COVERAGE OF ORGANISATIONS INCLUDED IN THE SURVEY</b>						
Organisations Selected	...	...	...	...	...	92      17
Types of Organisation	...	...	...	...	...	93-96    18
Relationship with Trade Associations	...	...	...	...	...	97-99    18
Size and Scope of Industrial Coverage	...	...	...	...	...	100-117   19
Membership Conditions	...	...	...	...	...	118-124   24
<b>CHAPTER II. GENERAL OBJECTS AND SCALE OF ACTIVITIES</b>						
Introductory	...	...	...	...	...	125     26
General Objects	...	...	...	...	...	126-130   26
Factors Influencing Scale of Activities	...	...	...	...	...	131-143   27
The Validity of Comparison between Organisations	...	...	...	...	...	144-145   30
<b>CHAPTER III. INDUSTRIAL RELATIONS ACTIVITIES</b>						
The General Position	...	...	...	...	...	146-147   31
Negotiation of Wages and Conditions of Employment	...	...	...	...	...	148-197   31
Negotiation of national wage rates	...	...	...	...	...	149-163   31
Negotiation of conditions of work other than wages	...	...	...	...	...	164-166   36
Negotiation of wages and conditions for staff workers	...	...	...	...	...	167-168   37
Influence on local wage negotiations	...	...	...	...	...	169-183   37
Involvement in productivity bargaining	...	...	...	...	...	184-197   41
Dispute Handling	...	...	...	...	...	198-216   45
The role of the association	...	...	...	...	...	200-208   45
Methods of handling disputes	...	...	...	...	...	209-211   47
Prevention and settlement of strikes	...	...	...	...	...	212-216   48
Contacts with Trade Union Officials	...	...	...	...	...	217-220   49
Advice and Assistance to Management	...	...	...	...	...	221-231   51



## CONTENTS

Preface W. E. J. McCarthy

<b>I. The Functions and Organisation of Selected Employers' Organisations by V. G. Mumns</b>					
<i>Paragraphs Page</i>					
<b>Introduction</b>	...	...	...	...	...
					1-14
<b>Summary</b>	...	...	...	...	...
					15-91
<b>CHAPTER I. MEMBERSHIP AND INDUSTRIAL COVERAGE OF ORGANISATIONS INCLUDED IN THE SURVEY</b>					
Organisations Selected	...	...	...	...	92
Types of Organisation	...	...	...	...	93-96
Relationship with Trade Associations	...	...	...	...	97-99
Size and Scope of Industrial Coverage	...	...	...	...	100-117
Membership Conditions	...	...	...	...	118-124
<b>CHAPTER II. GENERAL OBJECTS AND SCALE OF ACTIVITIES</b>					
Introductory	...	...	...	...	125
General Objects	...	...	...	...	126-130
Factors Influencing Scale of Activities	...	...	...	...	131-143
The Validity of Comparison between Organisations	...	...	...	...	144-145
<b>CHAPTER III. INDUSTRIAL RELATIONS ACTIVITIES</b>					
The General Position	...	...	...	...	146-147
Negotiation of Wages and Conditions of Employment	...	...	...	...	148-197
Negotiation of national wage rates	...	...	...	...	149-163
Negotiation of conditions of work other than wages	...	...	...	...	164-166
Negotiation of wages and conditions for staff workers	...	...	...	...	167-168
Influence on local wage negotiations	...	...	...	...	169-183
Involvement in productivity bargaining	...	...	...	...	184-197
Dispute Handling	...	...	...	...	198-216
The role of the association	...	...	...	...	200-208
Methods of handling disputes	...	...	...	...	209-211
Prevention and settlement of strikes	...	...	...	...	212-216
Contacts with Trade Union Officials	...	...	...	...	217-220
Advice and Assistance to Management	...	...	...	...	221-231

<b>CHAPTER IV. MAIN ACTIVITIES OTHER THAN INDUSTRIAL RELATIONS</b>						
Introductory	...	...	...	...	232-233	53
Representation to Government	...	...	...	...	234-237	53
Information Services	...	...	...	...	238-242	54
Collection of Information	...	...	...	...	243-246	55
Assistance in Manpower Matters	...	...	...	...	247-274	56
The efficient use of manpower	...	...	...	...	249-259	57
Labour supply and demand	...	...	...	...	260-262	59
Recruitment and selection	...	...	...	...	263-264	60
Education and training	...	...	...	...	265-267	60
Safety, health and welfare	...	...	...	...	268-274	61
Assistance in Trade and Commercial Matters	...	...	...	...	275-279	62
Social Activities	...	...	...	...	280	63
<b>CHAPTER V. INTERNAL ADMINISTRATION</b>						
Management Structure	...	...	...	...	281-290	64
Extent of membership participation	...	...	...	...	283-288	64
Autonomy of local associations	...	...	...	...	289-290	66
Employment of Permanent Staff	...	...	...	...	291-303	67
Recruitment	...	...	...	...	297-300	69
Training	...	...	...	...	301-303	70
<b>CHAPTER VI. CONCLUSIONS</b>						
Introductory	...	...	...	...	304	71
Variation in Extent of Activities	...	...	...	...	305-308	71
The Regulation of Wages and Conditions of Work	...	...	...	...	309-328	72
Difficulty of control of maxima	...	...	...	...	311-315	72
Power to exert control	...	...	...	...	316-319	74
Indirect influence	...	...	...	...	320-321	75
Implications for national incomes policy	...	...	...	...	322-325	75
Importance of consultative role	...	...	...	...	326-328	75
Encouragement of the Efficient use of Man-power	...	...	...	...	329-333	76
Influence on the Prevention of Strikes	...	...	...	...	334-338	77
Trends in Other Activities	...	...	...	...	339-345	78
Manpower matters	...	...	...	...	340-341	78
Representation to government	...	...	...	...	342	79
Information and advisory services	...	...	...	...	343	79
Coverage of trade interests	...	...	...	...	344-345	79
Changes in Organisation	...	...	...	...	346-350	80
Future Trends	...	...	...	...	351-352	81

2. A Survey of Employers' Associations By W. E. J. McCarthy

	<i>Paragraphs</i>	<i>Page</i>
A. Introduction ... ... ... ... ...	1-2	82
B. Summary ... ... ... ... ...	3-29	83
C. The Nature of the Sample ... ... ... ...	30-34	87
D. Information Collected ... ... ... ...	35-36	89
E. Coverage ... ... ... ...	37-45	89
F. Income ... ... ... ...	46-48	91
G. Scope of Activities ... ... ... ...	49-50	92
H. Industrial Relations Activities ... ... ... ...	51-60	92
I. Research and Information ... ... ... ...	61	95
J. Strikes and Other Sanctions ... ... ... ...	62-64	95
K. Inefficient Labour Practices ... ... ... ...	65	95
L. Relations with Trade Unions ... ... ... ...	66-72	96
M. Policy Formulation and Influence over Members ... ...	73-76	97
N. Officials and Staff ... ... ... ...	77-82	98
O. Relations with other Organisations ... ... ... ...	83	99
P. Conclusions ... ... ... ...	84-98	99
Appendix: Schedule of Questions ... ... ... ...		103



## PREFACE

by W. E. J. McCarthy

*Director of Research, Royal Commission on Trade Unions and Employers' Associations*

### *Origins and Scope of the Study*

Because of their importance and relevance to its work one of the first research projects authorised by the Royal Commission was a study of employers' associations.<sup>1</sup> It soon became clear that answers were required to a wide range of questions, despite the accumulation of a considerable body of evidence from individual associations and the extremely useful evidence of the Confederation of British Industry.<sup>2</sup>

On consideration it seemed that most of the important questions were related to the marked variations in the objectives and activities of different associations, together with the differing degrees of influence and control which they sought to exert over their member firms. These variations appeared to be of special importance in so far as they threw light on the ability of employers' associations to regulate effectively wages and conditions in their industry by bargaining at national level with trade unions. All kinds of issues, such as the effectiveness of incomes policy and the future of productivity bargaining, seemed to depend partly on the answers to such questions.

It was therefore decided to design two related studies to secure the necessary information. The first, which was undertaken by V. G. Munns, was a study in detail of the functions and organisation of a selected number of employers' organisations designed to throw light on the reasons for the variations in their objectives, activities and influence over members. Associations were chosen partly because of their size and importance—e.g. the Engineering Employers' Federation was included—but also because they were known to have interesting characteristics. Thus one association chosen, the National Federated Electrical Association, was included because it was known to operate an unusually tight control over the wages paid by member firms. Other associations, such as the Multiple Shops Federation, were selected because their concern with industrial relations was likely to be less important, and less active, than their interest in furthering the trading and commercial interests of their members. The assistance and ready co-operation of the officers of the organisations concerned is gratefully acknowledged.

Because this method of selective study "in depth" is always open to the objection that what has been discovered may not be generally applicable to other associations or areas, the second project consisted of a wider survey

<sup>1</sup> Employers' associations, for the purpose of this paper, are organisations of employers of labour which seek to assist, influence or control the industrial relations decisions of member firms; we are not concerned with organisations who are only engaged in trading and commercial activities.

<sup>2</sup> See Royal Commission Minutes of Evidence 6 and 9, HMSO 1966.

of a much larger sample of national and local associations. The object here was partly to seek corroboration for the discoveries which had emerged from the first study, but also to obtain some additional information. The Government Social Survey constructed this sample, carried out interviews with leading officials of the organisations selected and processed the results. I should like to thank the Director and his staff for all their help and assistance, although it must be made clear that they are in no way responsible for any conclusions drawn from the facts.

The staff of the Royal Commission also received the aid and advice of officials of the Confederation of British Industry, especially that of Mr. M. Y. Cobb, M.B.E., Deputy Director, Industrial Affairs. I should like to thank them for their help, while stressing once again that they too are in no way responsible for anything that follows.

### *Findings*

The view of employers' associations that emerges from both studies should not surprise those who work for them or deal with them, but it does challenge certain common assumptions about what they ought to be doing. It also shows that they are sometimes criticised mistakenly and even unfairly.

On the evidence presented, the variations in their scope and influence are not the result of inefficiency or weakness, as is sometimes suggested. They largely arise as a result of the differing needs and preferences of the firms that belong to these associations. Sometimes all the members want is a common forum where views and experiences of industrial relations problems may be shared. In other cases there is a desire for a range of specialist services, including the operation of a disputes procedure and the settlement, at national level, of what are in effect minimum wage levels for the industry. Very occasionally there is a wish among member firms to go further than this, i.e. to develop an organisation that takes effective joint action to solve common problems, including the negotiation of effective rates of pay that operate throughout the industry.

Since employers' associations exist primarily to serve the interests of their members, and come into existence simply because firms in a particular trade or industry think that they have an interest in acting together in certain respects, it is difficult to sustain the view that there is any one range of activities, or degree of influence over member firms, that is *better* than any other in any general or ideal sense. Essentially employers' associations can only represent and exemplify the degree of common purpose, and the extent of common agreement, that exists among their members. This may include a willingness to hand over certain industrial relations functions, such as the disposal of part of the firm's total wage bill, to a representative institution acting on behalf of most of the firms in the industry; but if this willingness is not there it cannot be manufactured. If most firms do not wish to hand over many such functions employers' associations will emerge which some may criticise as weak and unimportant; but they will still be serving their members' interests, as they are perceived, and little will be gained by contrasting them adversely with other organisations in other industries where different circumstances and traditions have given rise to a higher degree of unity and common action.

The significance of this view of employers' associations is perhaps seen most clearly in relation to their role in national wage negotiations. Both studies reveal that only a very few employers' associations now seek to do more than determine a part of their members' total wage bill—for the most part by negotiating periodic increases in the basic rates of manual workers. Because it is customary to raise the rates of all workers earning more than the national rate, each time the rate itself rises, this process normally results in what are termed "across the board increases", but in addition to these settlements there remains scope for further additions to pay to be negotiated at shop floor level. As Mr. Munns shows, associations such as the National Federated Electrical Association, which aims to arrest and prevent local additions, are in an exceptional position, since all kinds of special factors have combined to produce among their members a determination to co-operate in the maintenance of effective national rates. It is this determination, rather than any power which resides in the association, which explains the difference between them and most other organisations studied.

It follows that in most industries associations must continue to allow for local bargaining by shop stewards, even if this results in wide disparities between earnings levels among member firms and the development of so-called "wage drift". Associations may seek to influence the direction and scope of local bargaining, and encourage member firms to get value for money when participating in the process; what they are unable to do, without changing their character and purpose, is prevent this process and gain effective control over the disposal of a significantly greater proportion of the national wage bill in their industry.

Some of the implications of this situation for the future of incomes policy and the development of productivity bargaining are obvious enough. It means, among other things, that if effective control is to be exerted over total wage bills in the interests of incomes policy it will be necessary to discover a way of taking action at the level of the firm as well as at the level of national bargaining. So far incomes policy has mainly been effective through influence exerted at national level. To make it equally effective below national level a special responsibility needs to be accepted by the firm and those it bargains with. It may be doubted how far the institutional consequences of this situation have yet been realised by Government, employers or trade unions, but there seems no reason to suppose that once it is appreciated suitable institutions could not be developed.

In respect of productivity agreements the implication seems to be that apart from one or two industries, like electrical contracting, the most that can be hoped for at national level is the provision of guide lines and advice. The negotiation of new work arrangements in exchange for pay increases, which is what productivity bargaining involves, must and will continue to require detailed haggling at the level of the plant or firm. Indeed one effect of this fact might well be that as productivity bargaining develops employers will want to settle more and more of their total wage bill themselves, outside the framework of national bargaining altogether. This could end in attempts to move away from the custom of periodic "across the board" increases, touched off by movements in national basic rates.

But all these are matters of speculation. The two papers which follow discuss them at some length, along with many other contemporary problems of employers' associations, but they do not exhaust the subject or provide any final solutions. It is hoped that they will stimulate further discussion and be accepted as material for a debate which continues.